



FINAL EXAMINATION
BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE : TAXATION 1

COURSE CODE : TAX3114

DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **TWO (2)** questions.
2. Answer ALL questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
 - iii. Appendix (1-6)
4. Do not bring any material into the examination hall. The use of a calculator is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO. : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 6 printed pages including front page

QUESTION 1

Saifullamri and Saidatulalia, both Malaysian citizens who have been married for 12 years, are residents of Malaysia. Saifullamri was employed as a senior architect at *Jabatan Perancangan Bandar dan Desa (JPBD)*, Putrajaya, and retired on 31 August 2025 upon reaching the compulsory retirement age. Starting 1 October 2025, he began receiving a monthly pension of RM5,000. His wife, Saidatulalia, works as a professional photographer and videographer and operates her own photography and videography studio business. The following represents their income for the year of assessment 2025:

Saifullamri

- a. He earned a gross monthly salary of RM10,000, which includes the employee's EPF contribution at 11%, together with a monthly parking allowance of RM750 and a petrol allowance of RM2,000.
- b. In year 2025, he received two months' bonus relating to 2024.
- c. Saifullamri also employs a single mother as a domestic servant with a monthly salary of RM2,000, paid by Saifullamri and fully reimbursed by his employer, throughout his employment up until his retirement.
- d. Medical and dental benefits for his family amounted to RM25,000 per year.
- e. The company paid his son's private school fees amounting to RM20,000 per year.
- f. He received an Excellence Service Award of RM3,500.
- g. During his employment as an architect, he was provided with a Mitsubishi Xpander costing RM100,000, together with fuel and a driver who earned a monthly salary of RM2,750. The vehicle was used until his retirement.
- h. Since his retirement, he started a small business called SA Business Trading and received business income of RM40,000 for the year 2025.
- i. He earned interest income of RM2,500 from a fixed deposit account with a licensed Malaysian bank. He received dividend income from Amanah Saham Wawasan 2020 amounting to RM8,500 and RM4,200 dividend from Hunter Gaming Sdn Bhd, a single-tier company.
- j. He received royalties of RM45,000 from writing architecture and urban planning guidebooks for a project commissioned by the Ministry of Housing and Local Government.
- k. From September 2025, Saifullamri started working as a part-time architecture lecturer at UiTM Puncak Alam. He received RM3,500 monthly.

- I. He owns two properties located in Melbourne and at Cheras, Kuala Lumpur. Both properties were first rented out in the year 2025. The details of the properties are as follows:

	Melbourne RM	Cheras, KL RM
Monthly rental value	4,000	2,200
Quit rent (annual)	-	600
Renovation cost	480,000	28,000
Advertising cost to find the tenant	4,200	-
Repair and maintenance cost	-	2,000

Saidatulalia

- a. Income from her photography studio businesses for the year ended 31 December 2025:

	Shah Alam RM	Australia RM	Nilai RM
Adjusted income/(loss)	75,000	348,000	(45,000)
Balancing charge	25,000	37,000	20,000
Capital allowance	18,000	30,000	10,000
Balancing allowance	12,000	14,000	8,000

- b. Saidatulalia received RM4,000 as honorarium for conducting photography and visual storytelling workshops.

Additional Information:

- Saifullamri paid RM2,500 for his life insurance policy, RM1,800 for a life policy on Saidatulalia's life, and RM1,500 for policies covering their children in 2025.
- During the year, Saifullamri's mother was hospitalised at Hospital Gleneagles, with total medical expenses amounting to RM24,000. The hospital bill was shared equally between Saifullamri and his three siblings.
- Saifullamri purchased a Huawei tablet for RM2,800 for personal use. In June 2025, he purchased a laptop costing RM3,500 for Wafiy to support his studies.
- Saifullamri also subscribed to a gym membership and paid RM350 per month starting from 1 May 2025.
- Saifullamri donated RM1,500 monthly to Yayasan Salam Malaysia and Saidatulalia made a cash donation of RM1,000 to Pertubuhan Kebajikan Anak-Anak Yatim Malaysia (an approved institution).
- Saifullamri contributed RM600 to SOCSO during the year.

- g. Saifullamri and Saidatulalia have four children. Saifullamri has chosen to claim the relief for all four children. The details of their children are as follows:

Wafiy	26 years old, currently pursuing a Master in Architecture at UTM Johor Bahru.
Widad	22 years old, currently pursuing a Diploma in Quantity Surveying at Politeknik Port Dickson.
Wafiqah	14 years old, and she had been diagnosed with Down Syndrome since birth. Currently attending a special education school.
Wildan	7 years old, legally adopted and attending Sekolah Kebangsaan Taman Putra.

- h. Saidatulalia purchased tennis equipment costing RM1,200 and paid tournament entry fees of RM800.
- i. Saidatulalia contributes RM1,200 per month into SSPN account for her daughter, Widad since 2020.
- j. Saifullamri paid RM2,000 per year for each child's medical and education insurance.
- k. In 2025, Saifullamri and his family travelled to Saudi Arabia to perform Umrah via first class, with a pilgrimage levy of RM150 per person paid by him.

Required:

Compute the income tax payable for Saifullamri and Saidatulalia for the year of assessment 2025, as Saidatulalia did not elect for joint assessment (Round your answers to the nearest RM).

(Total: 60 marks)

QUESTION 2

Bunga Anggerik Fabrication Sdn Bhd (Bunga Anggerik) has been engaged in precision sheet metal fabrication and industrial component assembly operations since 2018. The company prepares its accounts annually to 31 August. The following information relates to the non-current assets owned by the company.

Industrial Stamping Machine

On 10 October 2021, Bunga Anggerik acquired an industrial stamping machine at a purchase cost of RM2,000,000. In addition, the company incurred RM85,000 for freight and insurance to Malaysia and RM135,000 for installation costs. The machine was put into operation on 14 November 2021. As the stamping machine was a limited-edition model manufactured by a South Korean company, another company offered to acquire it at RM1,000,000, above its market value. Bunga Anggerik subsequently disposed of the asset on 28 February 2025.

Heavy-Duty Industrial Hydraulic Press Machine

The company purchased a heavy-duty industrial hydraulic press machine at a cost of RM750,000, which was installed and brought into use on 16 May 2023. Due to technological upgrades in the production line, the existing hydraulic press machine was no longer compatible with the new system and was subsequently disposed of on 31 March 2025 for RM210,000.

Proton X70

On 1 June 2024, Bunga Anggerik purchased a Proton X70 under a hire purchase agreement from an authorised Proton dealer. The vehicle was assigned for the exclusive use of the Operations Director in carrying out his official duties and was not licensed for commercial transportation. The hire purchase agreement was arranged through a licensed financial institution in Malaysia. The following information relates to the purchase:

Cash price	: RM125,000
Deposit paid on 1 June 2024	: RM 25,000
Monthly instalment	: RM 5,250
Balance payable by 20 months instalments, commencing from 1 July 2024.	

Photocopier Machine

A photocopier machine previously used in the company's administrative office in Thailand was transferred to Malaysia and first used for business purposes on 1 October 2024. On that date, the market value of the photocopier was RM8,200 and its net book value was RM7,500.

Forklift

On 1 May 2025, Bunga Anggerik entered into a rental agreement for a forklift to support its warehouse and production floor operations. The company paid a monthly rental of RM8,000 for a period of 24 months. The forklift remained the property of the supplier throughout the rental period, and no option to purchase was provided at the end of the agreement. During the year ended 31 August 2025, Bunga Anggerik paid RM32,000 in rental charges relating to this machine.

Required:

Calculate the capital allowances, balancing charge, or balancing allowance (if any) for each asset of Bunga Anggerik Fabrication Sdn Bhd for all relevant years of assessment up to year of assessment 2026. (Round off your answers to the nearest RM)

(Total: 40 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER

APPENDIX 1 (1)

1. THE TAX RATES APPLICABLE WITH EFFECT FROM YA 2025

a. Residual individual

Chargeable Income	RM	Tax Rate (%)	Income Tax Payable (RM)
First	5,000		0
Next	15,000	1	150
On	20,000		150
Next	15,000	3	450
On	35,000		600
Next	15,000	6	900
On	50,000		1,500
Next	20,000	11	2,200
On	70,000		3,700
Next	30,000	19	5,700
On	100,000		9,400
Next	150,000	25	37,500
On	250,000		46,900
Next	150,000	25	37,500
On	400,000		84,400
Next	200,000	26	52,000
On	600,000		136,400
Next	400,000	28	112,000
On	1,000,000		248,400
Next	1,000,000	28	280,000
On	2,000,000		528,400
Exceeding	2,000,000	30	

b. Companies (Resident)

Chargeable income	First RM150,000	15%
	Next RM450,000	17%
	Excess RM600,000	24%

APPENDIX 1 (2)

2. TAXABLE VALUE OF MOTOR VEHICLE

Cost of car (when new)	Annual value of private usage of car (RM)	Annual prescribed benefit of fuel (RM)
up to RM50,000	1,200	600
RM50,001 – RM75,000	2,400	900
RM75,001 – RM100,000	3,600	1,200
RM100,001 – RM150,000	5,000	1,500
RM150,001 – RM200,000	7,000	1,800
RM200,001 – RM250,000	9,000	2,100
RM250,001 – RM350,000	15,000	2,400
RM350,001 – RM500,000	21,250	2,700
RM500,001 and above	25,000	3,000

APPENDIX 1 (3)

3. HOUSEHOLD FURNISHING, APPARATUS AND APPLIANCES

Types of BIK	Annual value (RM)
Semi-furnished with furniture in lounge, dining room or bedroom	840
Semi-furnished with furniture in lounge, dining room or bedroom plus one or more of the following: air-conditioners, curtains, carpets	1,680
Fully furnished with one or more of the following: Kitchen equipment, crockery, utensils, appliances	3,360

APPENDIX 1 (4)

4. CAPITAL ALLOWANCE

	General plant and machine	Heavy plant and machine	Motor vehicle	Office equipment	Computer
Initial allowance	20%	20%	20%	20%	20%
Annual allowance	14%	20%	20%	10%	40%

APPENDIX 1 (5)

5. TYPE OF INDIVIDUAL TAX RELIEF 2025

Type of individual tax relief		Amount (RM)
1	Self and Dependent	9,000
	Disabled Individual (in addition to self-relief above) (wef YA 2025)	7,000
	Husband/Wife/alimony payments	4,000
	Disabled Wife/Husband (wef YA 2025)	6,000
2	Child	
	- per child (below 18 years old)	2,000
	- per child (over 18 years old) : * received full-time instruction of higher education in respect of: - diploma level and above in Malaysia, or - degree level and above outside Malaysia, or - serving under articles of indentures in a trade or profession in Malaysia	8,000
	- per physically/mentally disabled child (w.e.f YA 2025) (below 18 years old)	8,000
	- per physically/mentally disabled child (over 18 years of age) * received full-time instruction of higher education in respect of: - diploma level and above in Malaysia, or - degree level and above outside Malaysia, or - serving under articles of indentures in a trade or profession in Malaysia	16,000
3	Expenses on medical treatment, special needs or carer expenses for parents and grand parents (evidenced by medical certification) (w.e.f 2025)	8,000
4	Employee's contribution to Social Security Organisation (SOCSO) including employee's contributions to Employment Insurance System (EIS)	350

5	Medical related expenses [(a)+(b)+(c)] (a) Medical expenses for self, spouse or child suffering from a - serious disease - expenses incurred on fertility treatment, or - vaccination for self, spouse or child (up to RM1,000) (b) Dental examination and treatment expenses for self, spouse or child, limited to RM1,000 (c) Complete medical examination, COVID-19 detection test and mental health examinations or consultations (up to RM1,000) be expanded as follows: - purchase of self-testing medical devices such as glucometer, pulse oximeter, blood pressure monitor and thermometer; and - fees for disease detection examination conducted at clinic or hospital, such as blood test, ultrasound, mammogram and pap smear (d) Early intervention expenditure for child with learning disabilities (up to RM6,000)	10,000
6	Purchase of supporting equipment for self (if a disabled person) or for disabled spouse, child or parent	6,000
7	Insurance premium on education and medical benefits (w.e.f YA 2025)	4,000
8	Fees expended for any course of study up to tertiary level or a degree at Masters or Doctorate level, or qualification or approved courses with professional bodies or attending upskilling and self-enhancement courses (limited to RM2,000)	7,000
9	Deposit for child into SSPN(extended to YA 2027)	8,000
10	Lifestyle relief consolidated with the following: - purchase or subscription of books, journals, magazines, newspaper - internet subscription - purchase of personal computer, smartphone and tablet (not for business use) Self- skill enhancement courses	2,500
11	Purchase of breastfeeding equipment (claim only every 2 years)	1,000
12	Fees paid to child care centre/kindergarten	3,000
13	Private Retirement Scheme contributions and Deferred annuity scheme premium (extended to YA 2030)	3,000

14	Sports Equipment (w.e.f 2025 including parents) - Purchase of sports equipment - Entry/ rental fees for sports facilities - Registration fees for sports competitions - Gym membership - Sports training fees	1,000
15	Life insurance and EPF (a)+(b)+ (c) (a) (i) Life insurance premium RM 3,000 (ii) Contribution to EPF (voluntary) (b) Contribution to EPF/approved scheme 4,000 Contribution under any written law 4,000	7,000
16	(a) Costs related to electric vehicle (EV) charging facilities, including installation, rental, hire-purchase of equipment, or subscription fees (extended to YA 2027) (b) Household equipment that supports environmental sustainability, such as: i. Food waste composting machines ii. Other approved green tech items	2,500
17	Interest payments for the first residential home loan (individually or jointly owned), as follows: (a) House price up to RM500,000 (b) House price above RM500,000 up to RM750,000	7,000 5,000

APPENDIX 1 (6)

6. TAX REBATES FOR RESIDENT INDIVIDUALS - YA 2025

Type of rebates	Amount (RM)
1 Individual's chargeable income does not exceed RM35,000	400
If husband and wife are separately assessed and each chargeable income does not exceed RM35,000	400 (each)
If husband and wife are jointly assessed and the joint chargeable income does not exceed RM35,000	800
2 Rebate for Zakat, Fitrah or other Islamic religious dues paid	Actual amount expended
3 Rebate for departure levy paid for performing umrah and pilgrimage to holy places.	Actual amount expended (twice in a lifetime)

** The above rebate granted is deducted from tax charged and any excess is not refundable

