



FINAL EXAMINATION
BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE : TAXATION 1

COURSE CODE : TAX3114

DURATION : 3 HOURS

MARKING SCHEME

TAX3114

QUESTION 1

Computation of Income Tax Payable for Saifullamri and Saidatulalia for YA 2025

		Saifullamri RM	Saidatulalia RM
Section 4(a) Business Income			
SA Business Trading		40,000 ✓	
(i) Studio at Shah Alam			
Adjusted income/loss	75,000 ✓		
Add: Balancing charge	25,000 ✓		
	100,000		
Less: Capital allowance	(18,000) ✓		
Less: Balancing allowance	(12,000) ✓		
Statutory income			70,000
(ii) Studio at Nilai			
Adjusted income	Nil ✓		
Add: Balancing charge	20,000 ✓		
	20,000		
Less: Capital allowance	(10,000) ✓		
Less: Balancing allowance	(8,000) ✓		
Statutory income			2,000
Aggregate Statutory income (M'sia)			72,000
(iii) Studio at Australia	Exempted		Nil ✓
Statutory business income		40,000	72,000
Section 4(b) Employment Income			
Sec 13(1)(a)			
Salary (RM10,000 x 8 months)	80,000 ✓		
Parking allowance (exempted)	Nil ✓		
Petrol allowance	2,000 ✓		
Bonus (2 months x RM10,000)	20,000 ✓		
Domestic servant (reimbursement) (RM2,000 x 8 months)	16,000 ✓		
School fees	20,000 ✓		
Excellence award (3,500-2,000)	1,500 ✓		
Sec 13(1)(b)			
Medical (exempted)	Nil ✓		
Car (RM 3,600 x 8/12)	2,400 ✓		
Fuel (RM 1,200 x 8/12)	800 ✓		
Driver (RM600 x 8 months)	4,800 ✓		
Statutory employment income		147,500	

Section 4(c) Interest and Dividend

Interest on fixed deposit	Exempted	Nil	✓
Dividend – ASW	Exempted	Nil	✓
Dividend - Hunter Gaming	Exempted	Nil	✓

Section 4(d) Royalty & Rental Income**Royalty income**

Royalty	45,000	✓	
Less : exemption Para 32B	<u>(20,000)</u>	✓	25,000

Rental

(ii) Property at Cheras

Rental Income (RM2,200 x 12)	26,400	✓	
Less: Allowable Expenses			
Quit rent	(600)	✓	
Renovation cost	NA	✓	
Advertising cost to find the tenant	NA	✓	
Repair and maintenance cost	<u>(2,000)</u>	✓	
Adjusted Rental Income			23,800

(i) Property at Melbourne

NIL ✓

Section 4(e) Annuity

Pension	NIL	✓
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Section 4(f) Other Income

Part-time income as a lecturer (RM3,500 x 4 months)	14,000	✓
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Honorarium			4,000	✓
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Aggregate income	250,300		76,000	
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Less:

Current year business loss			(45,000)	✓
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Cash donation to Yayasan Salam (RM1,500 x 12) vs (10% of AI)	(18,000)	✓		
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Cash donation to PKAAYM (RM1,000) vs (10% from AI)			(1,000)	✓
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Total income	232,300		30,000	
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Less: Relief

Self-relief	(9,000)	✓	(9,000)	✓
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Child relief:

- Wafiy	(8,000)	✓		
- Widad	(8,000)	✓		
- Wafiqah	(8,000)	✓		
- Wildan	(2,000)	✓		

EPF – Saifullamri	max	(4,000)	✓	
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(RM80,000 x 11% = RM8,800)

Life insurance (Saiful & Saidatul)	max	(3,000)	✓	
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Life insurance - Children		NA	✓	
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Medical expenses – parent (RM24,000/3)		(8,000)	✓	
Lifestyle relief		(2,500)	✓	
– Tablet (personal) – RM2,800	} Combine max			
– Laptop (Wafiy) – RM3,500				
Lifestyle health - Gym subscription (RM350 x 7)		(1,000)	✓	
SOCSSO	max	(350)	✓	
Lifestyle Health				
- Sport equipment (RM1,200)	} Combine max			(1,000) ✓
- Tournament fee (RM800)				
SSPN (RM1,200 x 12)	max			(8,000) ✓
Medical and education insurance	max	(4,000)	✓	
Chargeable Income		174,450		12,000
Tax liability:				
Tax on first RM100,000 / RM5,000		9,400.00	✓	Nil ✓
Next at 25% / 1%		18,612.50	✓	120 ✓
Tax charged / payable		28,012.50		120
Less : Rebate (income < RM35,000)				(400) ✓
Less: Levy for Umrah (RM150 x 6)		(900)	✓	
Tax payable/refund		27,112.50		(280)

(60 ✓ x 1 mark = 60 marks)

QUESTION 2

Industrial Stamping Machine

Test 10% rule :

ITEM	RM	
Cost of machine	2,000,000	A
Freight and insurance	85,000	A
Installation cost	135,000	B
	<u>2,220,000</u>	C

Since the installation cost RM135,000 is less than 10% of the aggregate cost ✓ (10% from RM2,220,000 = RM222,000), so the installation cost will be treated as QPE ✓

YA	ITEM	RM
2022 ✓	QPE	2,220,000 ✓
	Less: IA (20% x 2,220,000)	(444,000) ✓
	Less: AA (14% x 2,220,000)	(310,800) ✓
	RE	<u>1,465,200</u>
2023 - 2024	Less: AA (14% x 2,220,000 x 2 years)	(621,600) ✓✓
	RE	<u>843,600</u>
2025	Sales Proceeds	(1,000,000) ✓
	Balancing Charge ✓	<u>156,400</u>

(10✓ x 1 mark = 10 marks)

Heavy-Duty Industrial Hydraulic Press Machine

YA	ITEM	RM
2023 ✓	QPE	750,000
	Less : IA (20% X 750,000)	(150,000) ✓
	Less : AA (20% X 750,000)	(150,000) ✓
	RE	<u>450,000</u>
2024	Less : AA (20% X 750,000)	(150,000) ✓
	RE	<u>300,000</u>
2025	Sales proceeds	(210,000) ✓
	Balancing Allowance ✓	<u>90,000</u>

However, since asset was disposed within 2 years ✓, total capital allowances will be clawback as balancing charge ✓ and balancing allowance will be disregarded ✓. Therefore, total balancing charge = RM150,000 + RM150,000 + RM150,000 = RM450,000 ✓

(10✓ x 1 mark = 10 marks)

Proton X70 (restricted RM100,000)

Installment = (RM125,000 – RM25,000) / 20 months
= RM5,000 per month ✓

YA	ITEM	RM	Restricted to RM 100,000 RM
2024 ✓	Deposit	25,000 ✓	
	Installment (5,000 x 2m)	10,000 ✓	
	QPE	35,000	35,000
	Less : IA (20% X 35,000)	(7,000) ✓	
	Less : AA (20% X 35,000)	(7,000) ✓	
	RE	21,000	
2025	Installment (5,000 x 12m = 60,000)	60,000 ✓	60,000
	Less : IA (20% x 60,000)	(12,000) ✓	95,000
	Less : AA (20% x 95,000)	(19,000) ✓	
	RE	50,000	5,000
2026	Installment (5,000 x 6m = 30,000)	5,000 ✓	30,000
	Less : IA (20% x 5,000)	(1,000) ✓	120,000
	Less : AA (20% x 100,000)	(20,000) ✓	100,000
	RE	34,000	

(12✓ x 1 mark = 12 marks)

Photocopier Machine

YA	ITEM	RM
2025 ✓	QPE = market value Para 2C ✓ (which ever is lower)	7,500 ✓
	Less : IA	NIL ✓
	Less : AA (10% X 7,500)	(750) ✓
	RE	6,750
2026	Less: AA (10% X 7,500)	(750) ✓
	RE	6,000

(6✓ x 1 mark = 6 marks)

Rented Forklift

Capital allowance cannot be claimed ✓ on the rented forklift because Bunga Anggerik is not the legal owner of the asset ✓.

(2✓ x 1 mark = 2 marks)

(Total = 40 marks)

(TOTAL = 100 MARKS)

END OF MARKING SCHEME