

SUVA SANGAM COLLEGE

YEAR 11

ACCOUNTING

WORKSHEET 2

Question 1

Mr. James earns a wage of \$155 per week as a Computer Assistant. He has an investment which earns him \$50 every fortnight. The following are his expenses:

Expenses	\$	Conversion
Shopping- Groceries	70 per month	
Travelling	60 per month	
Clothes	20 per month	
Rent	100 per month	
Entertainment	15 per week	
Vehicle Insurance	1 000 per year	
Medical	25 per month	
Health insurance	25.52 per fortnight	

Required:

- a) Prepare a fully classified **fortnightly** budget for Mr. James. (All figures are to be rounded off to two decimal places.)
- b) Mr. James wishes to buy a motorcycle which costs \$1 800. How many fortnights does he have to save in order to buy a motorcycle?
- c) Explain any two importance of saving using relevant example.

Question 2

Redundancy Payment Tax Assessment:

Tax on any amount in excess of \$15000 at the rate of 15%.

Mr. X is entitled to a salary of \$50,000 and is a full-time employee at XYZ Co.Ltd. He is a Fiji resident and is paid monthly. Due to major restructure in the company, XYZ Co.Ltd terminated the appointments of 20 employees. One of them was Mr. X. Mr.X received a redundancy package of \$175,000.

Require: Calculate tax payable by Mr X for this payment.

Question 3

A. Mrs Kumar is entitled to a salary and other cash benefits that amount to \$295,000 for 2020. She is a non resident for tax purposes in Fiji and is paid monthly.

- a) Calculate **PAYE** payable by Mrs Kumar for tax year 2020.
- b) Calculate **SRT** payable by Mrs Kumar for tax year 2020.

(NB- use the new tax table given in the lesson notes)