

BA SANGAM COLLEGE
YEAR 11 ACCOUNTING
WORKSHEET 2

1. All tax payers in Fiji must have a

- A. serial number.
- B. mobile number.
- C. voucher number.
- D. tax identification number.

PART B

Personal Budget

(5 marks)

Raneel works as a manager for Equipment Services. The following data relates to the year 2020.

Details of Incomes and Expenses	Amount (\$)
Net Salary	760 per fortnight
Car Expenses	200 per month
Life Insurance Premiums	150 per quarter
Hire Purchase Installments	100 per month
Power, Water and Telephone Bills	100 per month
Sky TV Subscriptions	55 per month
Medical Expenses	150 per half yearly
Food Expenses	160 per fortnight

Additional Information:

- 1. Final installment for hire purchase payments will end in September.
- 2. The fuel price is expected to rise so the Car Expenses will increase by \$20 per month.

Required:

Taking into account the above additional information, prepare a classified Annual Personal Budget for Raneel for the year ended 31 December 2020. **(5 marks)**

Part C

Personal Tax Return

- A. Refer to Resources I and II and use your knowledge to answer the questions that follow.

Resource I

Mr. Brian is a Fiji resident and works at Fiji Corporations Ltd. He is entitled to a salary of \$45 000. Due to a major restructure in the business, Fiji Corporations Ltd terminated the

appointment of Mr. Brian. Mr. Brian received a redundancy package of \$85 000.

Resource II

Redundancy Payment Tax Assessment:

Tax on any amount in excess of \$15 000 at the rate of 15%.

Required:

- (i) Assess the amount of tax that Mr. Brian is entitled to pay for the redundancy payments. **(1 mark)**
- (ii) What is meant by the term **statutory deductions**? **(1 mark)**
- (iii) Describe **Social responsibility tax**. **(1 mark)**
- (iv) Pay As You Earn (PAYE) has become a final withholding tax. Identify **one** situation in which an employee will be required to lodge a tax return form to Fiji Revenue & Customs Services (FRCS). **(1 mark)**

- B.** Mr. X is entitled to a salary and other cash benefits that amount to \$420,000 for tax year 2019. He is a Fiji resident and is paid monthly. PAYE paid for the year is \$60000.

RESIDENT INDIVIDUALS AND RESIDENT INDIVIDUAL TRUSTEES

<i>Chargeable Income (\$)</i>	<i>Tax Payable (\$)</i>	<i>Social Responsibility Tax</i>	<i>ECAL</i>
350,001 – 400,000	\$63,600 + 20% of excess over \$350,000	10,900 + 15% of excess over \$350,000	10% of excess over \$270,000
400,001 – 450,000	\$73,600 + 20% of excess over \$400,000	18,400 + 16% of excess over \$400,000	10% of excess over \$270,000

Required: Determine the Tax and SRT payable or refundable for 2019. **(5 marks)**