

Institution **CIOT - CTA**  
Course **Awareness**

Event **NA**

Exam Mode **OPEN LAPTOP + NETWORK**

Exam ID

Count (s)	Word (s)	Char (s)	Char (s) (WS)
Section 1	<b>38</b>	<b>191</b>	<b>229</b>
Section 2	<b>19</b>	<b>88</b>	<b>102</b>
Section 3	<b>56</b>	<b>267</b>	<b>450</b>
Section 4	<b>11</b>	<b>58</b>	<b>69</b>
Section 5	<b>29</b>	<b>126</b>	<b>152</b>
Section 6	<b>37</b>	<b>139</b>	<b>175</b>
Section 7	<b>0</b>	<b>0</b>	<b>0</b>
Section 8	<b>35</b>	<b>154</b>	<b>188</b>
Section 9	<b>32</b>	<b>176</b>	<b>207</b>
Section 10	<b>0</b>	<b>0</b>	<b>0</b>
Section 11	<b>11</b>	<b>62</b>	<b>72</b>
Section 12	<b>53</b>	<b>225</b>	<b>274</b>

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Answer-to-Question- \_1\_

Deborah is not required to register as her annual satadard rated turnover will not reach the 90K threshold to compulsory registration.

She should consider if her turnover in next 30 day will exceed the limit for registration.

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-----ANSWER-1-ABOVE-----  
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-----ANSWER-2-BELOW-----  
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Answer-to-Question- \_2\_

1. Chocolate biscuit - statndard rated
2. EN - Standard rated
3. exempt
4. Standard rated
5. Reduced rated

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-----ANSWER-2-ABOVE-----  
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-----ANSWER-3-BELOW-----  
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Answer-to-Question- \_3\_

1. Input VAT

Standard rated supply  $200,000 \times 20\% = 40,000$

Less satandard rated purchase  $1/6 \times 50,000 = \underline{(10000)}$   
30,000

2.

Doonket Ltd can only write off invoice dated 30 Novemberas this is the only invoice is 6 months or more old. They have to wait till remaining written off accounts become outstanding fro more than 6 months

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-----ANSWER-3-ABOVE-----  
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-----ANSWER-4-BELOW-----  
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Answer-to-Question- \_4\_

The de rgistration limit is £88k so Jose can deregister voluntarily.

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-----ANSWER-4-ABOVE-----  
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-----ANSWER-5-BELOW-----  
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Answer-to-Question- \_5\_

There are 4 late returns, si the penalty is £200. An interest will be payable at 7.75% on late payment

Vat Qtr		Vat Liability	Interest	
		£	£	
30.6.2024		40,000		

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-----ANSWER-5-ABOVE-----  
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-----ANSWER-6-BELOW-----  
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Answer-to-Question- \_6\_

Goollid Ltd and Sielver Ltd can be part of a VAT group as they both owned minimum of 75% shared by Jasmin. Saapphire Inc is not entitled to join as it is not a UK based company

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-----ANSWER-6-ABOVE-----  
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-----ANSWER-7-BELOW-----  
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Answer-to-Question- \_7\_

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-----ANSWER-7-ABOVE-----  
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-----ANSWER-8-BELOW-----  
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Answer-to-Question- \_8\_

Selling to UK would standard rated given the nature of the goods.

Selling in Spain is a dispatch to EU, the supply would be zero rated, given the VAT registration is stated in the invoice.

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-----ANSWER-8-ABOVE-----  
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 -----ANSWER-9-BELOW-----  
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Answer-to-Question- 9

	Standard rated £	Flat rate £	Savings £
In put tax Standard rated services (95,000*20%)	19,000		
Mat & Cons (20,000*20%)	(4000)		
VAT due	15,000		
On Flat rate (95,000-20,000)*10.5%		7,875	
Savings (15,000-7875)			7125

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 -----ANSWER-9-ABOVE-----  
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-----ANSWER-10-BELOW-----  
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Answer-to-Question- \_10\_

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-----ANSWER-10-ABOVE-----  
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-----ANSWER-11-BELOW-----  
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Answer-to-Question- \_11\_

$$£100,000 + £7,500 = 107,500 * .05 = 537.5$$

Worthog Ltd is responsible to pay.

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-----ANSWER-11-ABOVE-----  
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-----ANSWER-12-BELOW-----  
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Answer-to-Question- 12

Sven

As Sven is a first time buyer, he will only pay 5% stamp duty on amount above £425,000.  
 $(£600,000 - £425,000) \times 5\% = £8750$  need to pay by 14 may 2025.

Stacy

The basic rates will increse by 3%as this is a purchase of an additional property and she already has a main resident.

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-----ANSWER-12-ABOVE-----  
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Section 25	<b>36</b>	<b>187</b>	<b>208</b>
Section 26	<b>17</b>	<b>108</b>	<b>111</b>
Section 27	<b>26</b>	<b>126</b>	<b>134</b>
Section 28	<b>51</b>	<b>217</b>	<b>264</b>
Section 29	<b>15</b>	<b>72</b>	<b>75</b>
Section 30	<b>44</b>	<b>248</b>	<b>265</b>
Section 31	<b>36</b>	<b>151</b>	<b>185</b>
Section 32	<b>41</b>	<b>208</b>	<b>225</b>
Section 33	<b>39</b>	<b>213</b>	<b>225</b>
Section 34	<b>25</b>	<b>139</b>	<b>154</b>
Section 35	<b>0</b>	<b>0</b>	<b>0</b>
Section 36	<b>0</b>	<b>0</b>	<b>0</b>

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 -----ANSWER-25-BELOW-----  
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Answer-to-Question- \_25\_

	Profit from foreign trade	Gainmeed Ltd	Uropah Ltd
		£	£
Trade profit		300,000	40,000
Profit from foreign trade before deduction	100,000		
CT @ 25%	25,000	75,000	10,000
foreign Tax paid	(30,000)		
	restricted		
CT payable		75000	10000

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 -----ANSWER-25-ABOVE-----  
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-----ANSWER-26-BELOW-----  
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Answer-to-Question- \_26\_

	£	£
Accounting profit		2,400,000
add		
amortisation	5,300	
Interest	13,000	
Staff bonuses	120,000	
		1,38,300
Trade profit		2,538,300

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-----ANSWER-26-ABOVE-----  
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-----ANSWER-27-BELOW-----  
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Answer-to-Question- 27

		GP	CA
		£	£
1.1.2024 TWDV B/f		42,000	
Addition			
1.11.2024		40,000	
Disposal on 18.12.2024		(10,000)	
		72,000	
WDA @18% x2/12		(2,160)	2,160
WDV c/f		69840	
CA			2,160

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-----ANSWER-27-ABOVE-----  
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-----ANSWER-28-BELOW-----  
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Answer-to-Question- \_28\_

SBA can be claimed over 33 1/3 years

SBA construction of student accomodation =  $3\% \times 1,300,000 = 39,000$

SBA can be claimed on remaining of the years for purchase of the office and warehouse.

For office =  $\pounds 800,000 \times 3\% = 24,000$

for the warehouse =  $\pounds 220,000 \times 2\% = 4,400$

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-----ANSWER-28-ABOVE-----  
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-----ANSWER-29-BELOW-----  
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Answer-to-Question- \_29\_

			£
Rent			16,000
Lab			2,000
Machinary			8,000
Salary @ 85%			18,700
Dividend @50%			25,000
			69700

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-----ANSWER-29-ABOVE-----  
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-----ANSWER-30-BELOW-----  
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Answer-to-Question- \_30\_

	£	£
Proceed not invested	200,000	
Rolled over relief	250,000	
	450,000	
Base cost of the Warehouse (600,000-250,000)	350,000	
extension	120,000	
New base cost	470,000	
On 1.2.2025 proceed		1,100,000
legal fee		(4,500)
		1,095,500
Less cost		(470,000)
Gain		625,500
Less AEA		(3000)
		622,500
CGT @20%		124500

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-----ANSWER-30-ABOVE-----  
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-----ANSWER-31-BELOW-----  
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Answer-to-Question- \_31\_

As mr Hubble ownes more than 5% of the share interest on the outstanding amount of the  
at year end can be relieved.

£14k is outstanding:  
 $\text{£14,000} \times 33.75\% = 4,725$  can be relieved from CT.

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-----ANSWER-31-ABOVE-----  
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Answer-to-Question- \_32\_

[illegible]

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-----ANSWER-32-ABOVE-----  
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Answer-to-Question- 33

[illegible]



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-----ANSWER-33-ABOVE-----  
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Answer-to-Question- \_34\_

[illegible]

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-----ANSWER-34-ABOVE-----  
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-----ANSWER-35-BELOW-----  
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Answer-to-Question- \_35\_

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-----ANSWER-35-ABOVE-----  
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Section 49	<b>60</b>	<b>275</b>	<b>335</b>
Section 50	<b>41</b>	<b>167</b>	<b>207</b>
Section 51	<b>28</b>	<b>114</b>	<b>125</b>
Section 52	<b>22</b>	<b>95</b>	<b>101</b>
Section 53	<b>33</b>	<b>158</b>	<b>165</b>
Section 54	<b>27</b>	<b>117</b>	<b>132</b>
Section 55	<b>27</b>	<b>131</b>	<b>157</b>
Section 56	<b>25</b>	<b>114</b>	<b>138</b>
Section 57	<b>40</b>	<b>266</b>	<b>276</b>
Section 58	<b>47</b>	<b>211</b>	<b>315</b>
Section 59	<b>0</b>	<b>0</b>	<b>0</b>
Section 60	<b>11</b>	<b>47</b>	<b>86</b>

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-----ANSWER-49-BELOW-----  
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Answer-to-Question- \_49\_

Although Clair started as a self employed, she still has set hours to work, there is still a control over her by Filedes and dectating when she work.

All the equipment is also provided by the company, this doesn't feel self employment.

There is a notice period on both ends and it can viewed as an employemnt rather than selfemployed.

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-----ANSWER-49-ABOVE-----  
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-----ANSWER-50-BELOW-----  
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Answer-to-Question- \_50\_

1. HMRC can impose a penalty of 100% of the lost revenue as it deliberate. This can be reduced to 70% as there was no attemp to conceal.

Due to the the immediate prompt payment the minimum penalty can be 30%

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-----ANSWER-50-ABOVE-----  
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 -----ANSWER-51-BELOW-----  
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Answer-to-Question- \_51\_

		£	£
Income		42,500	
Less PA		(12,570)	
		29,930	
Income tax @20%		5,986	5,986
Class 4 Nic	29,930 x 6%		1,796
CGT @20%			1194
Total payable to HMRC			8,976

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 -----ANSWER-51-ABOVE-----  
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-----ANSWER-52-BELOW-----  
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Answer-to-Question- \_52\_

	£	£	£
Trade profit			56,000
Less: Interest		250	
parking fee		100	
Car	=3750-(3750 X85% X 60%)	1837	
		2187	(2187)
TTp			53,813

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-----ANSWER-52-ABOVE-----  
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Answer-to-Question-\_53\_

[illegible]

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-----ANSWER-53-ABOVE-----  
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-----ANSWER-54-BELOW-----  
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Answer-to-Question- \_54\_

		£	£
Market value of the car		5,900	
WDV		4400	
Balancing charge for CA		1500 @ 80% business use	1,200
Trading loss			9,700
Adjusted trading loss			8,500

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-----ANSWER-54-ABOVE-----  
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-----ANSWER-55-BELOW-----  
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Answer-to-Question- \_55\_

Birthe can offset the loss against the employment income from 2022 for an early relief.

Birthe can also carry forward the loss for future profit for 2025/26

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-----ANSWER-55-ABOVE-----  
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-----ANSWER-56-BELOW-----  
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Answer-to-Question- \_56\_

The final year loss can be relieved against previous 4 years profit on a lifo basis.  
The full £8,000 can be relieved against 2024 profits.

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-----ANSWER-56-ABOVE-----  
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-----ANSWER-57-BELOW-----  
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Answer-to-Question- 57

	Total	Will	Ben	George
30.9.2024	165,000			
1.10.2023 - 30.6.2024 (165,000*9/12	123,750			
1.10.2023 - 30.6.2024 Salary(20000*9/12)	(15,000)	15,000		
	108,750			
PSR 50:50	(108,750)	54375	54375	
	Nil			
Profit from 1.07.2024-30.09.2024	41,250			
salary	(6000)	6,000		
	35,250			
PSA	(35250)	11,750	11,750	11,750
		87,125	66,125	11,750

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-----ANSWER-57-ABOVE-----  
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-----ANSWER-58-BELOW-----  
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Answer-to-Question- \_58\_

As the proceed of 2 acres land is below £20K, the gain can be postponed and used to reduvce the base cost from £150k to £132,000 for the land.

Proceed on 23.1.2025	£225,000
less base cost	<u>(132,000)</u>
Gain	93,000

His tax liability will be calculated on £93,000

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-----ANSWER-58-ABOVE-----  
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-----ANSWER-59-BELOW-----  
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Answer-to-Question- \_59\_

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-----ANSWER-59-ABOVE-----  
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-----ANSWER-60-BELOW-----  
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Answer-to-Question- \_60\_

Mv of shares	100,000
cost	60,000
Gain for sven	40,000

For