



Taxation, Retail Investment and Pensions

Assignment 3

(Part 2 – The UK Tax System)

Recommended Time: 3 Hours

1. Identify the main legislation that governs personal taxation in the UK. **5 marks**
2. Outline the different types of income for the purposes of Income Tax. **5 marks**
3. A client based overseas has asked you for an explanation of how the residency rules for UK Income Tax may impact on an individual working abroad. Prepare some notes for use in a conference call with the client. **15 marks**
4. Write short notes on:
 - (i) taxable benefits in kind
 - (ii) tax free benefits in kind.**10 marks**
5. In connection with Inheritance Tax, describe the differences between an Exempt Transfer and a Potentially Exempt Transfer. Illustrate your description with an example. **20 marks**
6. In connection with Capital Gains Tax outline the concept of Entrepreneurs' Relief. **10 marks**
7. In an email to a client describe the different rates of Stamp Duty Land Tax and the available exemptions. **15 marks**
8. A new colleague has asked you for an explanation of VAT rates. He has told you he knows there are only two rates but is confused about exempt goods and zero rated goods. Prepare a note for your colleague confirming the different rates and correcting any confusion he may have on them. **20 marks**