

**CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD**

Technical and Vocational Education Examination

**PRINCIPLES AND PRACTICE OF TAXATION 1  
7115**

**JUNE XXXX**

**ADVANCED LEVEL**

<b>Specialty(Specialty Code)</b>	TAXATION AND INFORMATION MANAGEMENT SYSTEM. TIM(FIG).
<b>Centre No.</b>	
<b>Centre Name</b>	
<b>Candidate No.</b>	
<b>Candidate Name</b>	

Mobile phones are **NOT** allowed in the examination room

**PRINCIPLES AND PRACTICE OF TAXATION (7115) 1: MULTIPLE CHOICE QUESTION PAPER**

**One and a half hours**

**INSTRUCTIONS TO CANDIDATES**

*Read the following instructions carefully before you start answering the questions in this paper. Make sure you have a soft HB pencil and an eraser for this examination.*

1. USE A SOFT HB PENCIL THROUGHOUT THE EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

*Before the examination begins:*

3. Check that this question booklet is headed **Advanced Level – PRINCIPLES AND PRACTICE OF TAXATION (7115) 1**
4. Insert the information required in the spaces above.
5. Insert the information required in the spaces provided on the answer sheet using your HB pencil: **Candidate Name, Exam Session, Subject Code, Centre Number and Candidate Number**. Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.
6. **Answer ALL questions**
7. Each question has FOUR suggested answers: **A, B, C** and **D**. Decide on which answer is correct. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen.  
For example, if **C** is your correct answer, mark **C** as shown below:  
[A] [B] [~~C~~] [D]
8. Mark only one answer for each question. If you mark more than one answer, you will score a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
9. Avoid spending too much time on any one question. If you find a question difficult, move on to the next question. You can come back to this question later.
10. Do all rough work in this booklet, using, where necessary, the blank spaces in the question booklet.
11. Texts, notes and pre-prepared materials of any kind are also **NOT** allowed in the examination room.
12. **At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet after. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.**

*Turn Over*

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1. No person may leave Cameroonian territory without first making a return on income earned up to the departure date. Such return shall be made no later than

A	30 days before the application for a passport or exit visa
B	15days before departure
C	30days before departure
D	15days before the application for a passport or exit visa

2. The attestation on non indebtedness or tax clearance certificate is renewed every after

A	4 months
B	3 months
C	2 months
D	1 month

3. Taxpayers with an annual turnover between 10000 000 FCFA and 50 000 000 FCFA are classified under:

A	Global taxation system
B	Simplified taxation system
C	Actual taxation system
D	Minimum cash system

4. Monoprix ltd situated at Nkwen in Mezam Division realized an annual turnover of 70 000 000 FCFA. Monoprix tax administrative unit is ?

A	Mezam divisional tax centre
B	Medium sized taxpayers office Bamenda
C	Large taxpayers unit Yaounde
D	Any of the above

5. The taxable events for the special tax on petroleum products includes the following except?

A	Removal of taxable products at the Cameroon Oil Storage Company (SCDP)
B	Delivery by the National Oil Refining Corporation (SONARA) of taxable products not transiting through the SCDP warehouse.
C	The delivery of taxable products by the National Refining Company (SONARA).
D	The sales of the product at the fuel station.

6. Which of the following is an example of an indirect tax?

A	Personal income tax
B	Company tax
C	Excise duty
D	Land tax

7. Which of the following is an example of a para fiscal tax?

A	Personal income tax
B	The annual forestry royalty
C	The mining tax
D	Local development tax

8. Taxes collected by the taxation department for the benefit of other public establishments are consider as:

A	Specific taxes
B	Para fiscal taxes
C	Indirect taxes
D	Direct taxes

Study the extract of the bill from JUDISCO SERVICES register under Actual taxation regime and answer the questions that follows below and answer the question 9 to 12.

9. What is the amount of the advance income tax on revenue(AIR)?

A	220 000 FCFA
B	400 000 FCFA
C	88 000 FCFA
D	104 940 FCFA

10. What is the amount of registration duties at 5%?

A	500 000 FCFA
B	157 100 FCFA
C	242 900 FCFA
D	238 500 FCFA

11. What is the total amount of taxes ?

A	990 000 FCFA
B	1 170 000 FCFA
C	874 940 FCFA
D	858 000 FCFA

12. Assuming that JUDISCO SERVICES was registered under the simplified tax regime, the rate of registration duties should be ?

A	10%
B	7%
C	5%
D	2%

13. What is the global tax assessment category of Mrs. EBENIE, a sole trader with an annual turnover of about 2 650 000 FCFA?

A	Category A
B	Category B
C	Category C
D	Category D

14. What is the principal annual personal income tax liability for an entity that realises an annual turnover of 2 750 000 FCFA and taxable profit of 1 560 000 FCFA?

A	137 500 FCFA
B	78 000 FCFA
C	156 000 FCFA
D	55 000 FCFA

15. Business license is paid.....

A	annually
B	semi annually
C	quarterly
D	monthly

16. The principal rate Value Added Tax is?

A	18.25%
B	17.5%
C	15%
D	19.25%

17. The threshold for the deduction of expenses paid by cash in the determination of the taxable profit?

A	less than 1 000 000 FCFA
B	less than 500 000 FCFA
C	less than 100 000 FCFA
D	less than 50 000 FCFA

Questions 18 to 20 are based on the information below

Monoprix Ltd was created on the 01/01/2017. All shareholders contributed a total of 160 000 000 FCFA of which 20% represent loan granted to the company and recorded in shareholders current accounts. Cash contribution represented 70% of the share capital.

18. Base on the accounting analysis of the contribution, what is the amount to be considered in the determination of the registration duties at the regressive rate?

A	160 000 000 FCFA
B	32 000 000 FCFA
C	128 000 000 FCFA
D	89 600 000 FCFA

19. What is the amount of registration duties on capital at 2% regressive rate?

A	3 200 000 FCFA
B	2 560 000 FCFA
C	1 792 000 FCFA
D	750 000 FCFA

20. What is the amount of proportional tax on costly contribution at 5%?

A	8 000 000 FCFA
B	1 600 000 FCFA
C	6 400 000 FCFA
D	4 480 000 FCFA

21. Fixed registration fees shall be charged on instruments which contain

A	No obligation or order in respect of Transfer of ownership
B	Obligation on transmission of ownership.
C	Certain obligations
D	Obligation on ranking of creditors or payments in respect of money and securities

22. The person that enact the finance law is :

A	The President of the Republic
B	The President of Senate
C	The president of the National Assembly
D	The Prime Minister

23. Sole proprietorship falling under the flat rate taxation system :

A	Prepare their account in accordance with the standard accounting method
B	Prepare their account in accordance with the minimum cash flow requirements
C	Prepare their account in accordance with the simplified accounting system
D	Prepare their account in accordance with the global accounting system

24. The personal income tax is :

A	A direct tax
B	An indirect tax
C	A Para fiscal tax
D	None of the above

25. Noncommercial profit include:

A	Earning from liberal professions
B	Earning from footballers
C	Earning from artists
D	All of the above

26. The rate of the personal income tax is :

A	progressive
B	fixed
C	proportional
D	digressive

Turn Over

27. The special tax on petroleum products:

A	Is instituted on gas-oil and premium grade petrol only
B	Is payable by companies which distribute taxable products
C	Is deductible at source
D	All of the above

28. All of the following are subjected to audiovisual communication tax except:

A	Employees of the public sector
B	Employees of the semi private sector
C	Employees of the private sector
D	All of the above

29. Which of the following documents is used to identify a Tax payer in Cameroon

A	National ID card
B	Tax Payer's card
C	Passport
D	Certificate of Incorporation

30. Which of the following persons is liable to the Global Tax?

A	A limited liability company with a turnover of 12,000,000 FCFA
B	A barber shop with an annual turnover of 2,000,000 FCFA
C	A corporation with a turnover of 100,000,000 FCFA
D	a and c

31. What is the monthly tax declaration rate for Company tax?

A	5.5%
B	1%
C	2.2%
D	10%

32. The following products are subjected to VAT except;

A	Salt
B	Whisky
C	A Toyota car
D	None of the above

33. Which of the following tax is liable to an excise duty?

A	Pineapple juice
B	Rice
C	Whisky
D	A and C

34. Which of the following should be treated as reinstatement?

A	Transport charges on purchases invoice
B	Fixed traveling allowance on the manager payslip.
C	Sitting fee for the president of the Board directors who was absent in the last board meeting.
D	Salary to the secretary who is the sister of the manager

35. A company made an Accounting net profit of 200,000,000 FCFA. After the fiscal analysis, the reinstatement totals 50,000,000 FCFA and deductions 30,000,000 FCFA. What is the fiscal net profit?

A	200,000,000 FCFA
B	220,000,000 FCFA
C	180,000,000 FCFA
D	100,000,000 FCFA

36. Which of the following rates and taxes are not deductible in the determination of the taxable profit?

A	Fines and penalties
B	Registration duty
C	Business licence
D	Road taxes

37. Which of the following persons are exempted from the personal income tax?

A	A Teacher
B	A secretary whose salary is 62,000 FCFA
C	A diplomatic and Consular staff of foreign nationalities subject to reciprocity
D	b and c

38. ABC Co bought a Transportation Car for 100,000 FCFA. The prorata is 30%. What is the VAT recoverable?

A	30,000 FCFA
B	5,775 FCFA
C	19,250 FCFA
D	70,000 FCFA

39. Which of the following is also called an ad valorem tax?

A	Company tax
B	Personal Income Tax
C	Excise duty
D	Global tax

40. The following is a special tax in Cameroon except;

A	Petroleum Tax
B	Forestry Tax
C	Regimes for public service concessions
D	Excise duty

41. In Cameroon, there exist:

A	Four taxation systems
B	Two taxation systems
C	Three taxation systems
D	One taxation system

42. In Cameroon, the declarations of Value Added Tax are made :

A	By the legal taxpayer
B	By tax inspectors
C	By the real taxpayer
D	all of the above

43. According to the general tax code, all the following revenues are subjected to income tax except :

A	Wages
B	life annuities
C	scholarships
D	pensions

44. The local development tax is:

A	A council tax
B	Paid by workers only
C	Paid by companies only
D	None of the above

45. The payment of taxes can be made :

A	In cash
B	Through a bank transfer
C	Through electronic means
D	All of the above

46. Tax evasion can also be called :

A	Tax avoidance
B	Tax minimization
C	Tax fraud
D	Tax planning

47. On 05/03/2019, ABC Co Ltd bought 30 UBCC shares from SGBC Bank at 60 000 CFAF each. These securities were disposed of at a price of 80 000 CFAF each on 19/06/2019 and the tax on capital gain paid on July 4th 2019. What is the value of the tax on capital gain at 11% ?

A	99 000 FCFA
B	60 000 FCFA
C	66 000 FCFA
D	33 000 FCFA

48. Dante td realised an accounting net profit of 56000 000 CFAF for the year ending 31 Dec 2019. During the year, head office expenses paid to a company in Douala amount to 725 000 CFAF. What is the value taxable profit knowing that the taxable limit is 5% of intermediary fiscal profit?

A	53 788 750 FCFA
B	56 000 000 FCFA
C	56 725 000 FCFA
D	50 661 250 FCFA

49. NGEAH NGF Plc realised an accounting net profit of 124 000 000 CFAF for the year ending 31 Dec 2019. During the year, accounting honoraries were paid by NGEAH NGF Plc to a Cameroonian company, amounting to 22 725 000 CFAF. What is the taxable profit?

A	154 061 250 FCFA
B	124 000 000 FCFA
C	146 725 000 FCFA
D	139 388 750 FCFA

50. UCG paid interests on shareholder MBUH(holder of 15% shares) current account with a principal of 50 000 000 FCFA for 9 months at the rate of 16%. The central bank rate for the period stood at 11.5%. what is the amount of the interest to be reinstated

A	2 250 000 FCFA
B	1 687 500 FCFA
C	937 500 FCFA
D	1 250 000 FCFA

**NOW GO BACK AND CHECK YOUR WORK**

*Turn Over*