

AAT

Q2022

Tax Processes for Businesses Finance Act 2024

EXAM KIT

This Exam Kit supports study for the following AAT qualifications:

AAT Level 3 Diploma in Accounting

AAT Level 3 Certificate in Bookkeeping

AAT Diploma in Accounting at SCQF Level 7

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Features in this exam kit

In addition to providing a wide ranging bank of real assessment style questions, we have also included in this kit:

- unit specific information and advice on assessment technique
- our recommended approach to make your revision for this particular unit as effective as possible.

You will find a wealth of other resources to help you with your studies on the Kaplan and AAT websites:

www.mykaplan.co.uk

www.aat.org.uk/

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UNIT SPECIFIC INFORMATION

THE ASSESSMENT

FORMAT OF THE ASSESSMENT

Learners will be assessed by computer-based assessment. All questions in the TPFB assessment are computer marked.

In any one assessment, learners may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

The learning outcomes for this unit are as follows:

	Learning outcome	Weighting
1	Understand legislation requirements relating to VAT	25%
2	Calculate VAT	30%
3	Review and verify VAT returns	20%
4	Understand principles of payroll	15%
5	Report information within the organisation	10%
	Total	100%

Time allowed

1 hour 30 minutes

PASS MARK

The pass mark for all AAT CBAs is 70%.



Always keep your eye on the clock and make sure you attempt all questions!

DETAILED SYLLABUS

The detailed syllabus and study guide written by the AAT can be found at:

www.aat.org.uk

Section 1

PRACTICE QUESTIONS

VAT PRINCIPLES, REGISTRATION AND DEREGISTRATION AND SPECIAL SCHEMES



Key answer tips

Tasks will usually have a number of parts. Some of the questions in this section of the kit are multi-part whereas others give practice on the individual parts likely to be tested in this type of task.

Areas covered are some of the basics of VAT, particularly the registration conditions, registration and deregistration thresholds as well as information on the special schemes.

1 HUGH

(a) Which TWO of the following statements are true?

- (i) Hugh need not register for VAT if he has made taxable supplies of £91,000 in the last 12 months but expects his taxable supplies in the next 12 months to be £89,000.
 - (ii) A business has made £91,000 of taxable supplies in the last 12 months including £10,000 of sales of capital assets previously used by the business. The business is not required to register at this time.
 - (iii) A business which exceeds the registration threshold under the historic test on 31 July will be required to notify HMRC by 30 August and will be registered with effect from 1 September.
 - (iv) A business that expects to make taxable supplies of £91,000 in the next 30 days must notify HMRC by the end of the 30-day period and will be registered with effect from the end of the 30-day period.
-
- A (i) and (ii)
 - B (ii) and (iii)
 - C (iii) and (iv)
 - D (i) and (iv)

(b) Can the following VAT-registered traders deregister their business voluntarily?

Tick one box on EACH line.

A business that is ceasing to trade.

A continuing business that expects to make supplies of £88,000 in the next year of which one quarter will be exempt supplies.

A business that expects to make taxable supplies of £89,000 in the next 12 months.

A continuing business which has been making taxable supplies of £92,000 per year but which has now switched to making wholly exempt supplies of the same amount.

Yes	No

2 JENKINS

Jenkins runs or part runs the following five businesses:

Three sole trader businesses

A business run in partnership with his wife

A business run in partnership with his wife and brother

Taxable supplies per year
£40,000 each
£100,000
£95,000

(a) How many separate VAT registrations are required to cover these businesses?

- A 2
- B 3
- C 4
- D 5

(b) Which of the following statements is incorrect? Select ONE answer.

- A Only registered businesses can charge VAT to customers.
- B VAT is a charge which is ultimately suffered by the end consumer.
- C A business making £60,000 of exempt supplies and £20,000 of zero-rated supplies cannot register for VAT.
- D Many VAT queries can be answered by referring to the HMRC website.



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