



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year
SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING BANKING AND FINANCE

THIRD YEAR FIRST SEMESTER EXAMINATION FOR
DIPLOMA IN ACCOUNTANCY (TEVT)

TAXATION

DATE: 6//11/2020

TIME: 2:30 – 5:30 PM

INSTRUCTIONS:

Answer all the questions.

1. a) State three instances which define residence in relation to a body corporate (3 marks)
- b) What is a permanent home depending on how the court interprets the term “permanent home” (7 marks)
2. Explain in detail the three types of incomes (10 marks)
3. Explain the characteristics which constitute taxable income. (10 marks)
4. State and explain various non-taxable benefits (10 marks)
5. What is the importance of the concept of residence to residents and nonresidents?
6. Explain various exceptions to chargeability to tax. (10 marks)
7. Explain various forms of except income (10 marks)