



UNIVERSITY OF ESWATINI
INSTITUTE OF DISTANCE EDUCATION
DIPLOMA IN LAW
FINAL EXAMINATION PAPER APRIL 2021

TITLE OF PAPER : INTRODUCTION TO TAX LAW 1
COURSE CODE : IDE LAW 219
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS :

- 1. Answer Question 1 and any other 4 questions. There are 8 questions in this exam.**
2. Each question (except the compulsory question) has 15 marks. Please pay attention to the marks allocated for each question so that you can understand how much time you should spend on each question.
3. Ensure to underline your cases, references and vernacular terms.
4. Total marks = 100.

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GIVEN BY THE INVIGILATOR

Question 1 (Compulsory question)

In section 7 of the Income Tax Order, 1975 (as amended) the term “Gross Income’ is defined. In the definition of ‘Gross Income’, the following terms are used:

- a. Cash or otherwise
- b. Received by or accrued
- c. Of any person
- d. Not of a capital nature
- e. From any source in Eswatini

Define and discuss these terms and in relevance to their use for Income Tax purposes. **[40 marks]**

Question 2

By way of arithmetic calculations, demonstrate how VAT (Value Added Tax) is payable at every level of value addition. In your response ensure to use technical terms applicable to the VAT subject matter. **[15 marks]**

Question 3

Consider that you are a registered Value Added Taxpayer and you have a choice to supply exempt, zero rated or standard rated supplies. Which one would you choose and why? **[15 marks]**

Question 4

What are the major differences and similarities between VAT and Sales Tax? **[15 marks]**

Question 5

- a. Briefly discuss the concept of fairness in relation to income tax?
[5 marks]
- b. Briefly explain the FOB and CIF contracts under Customs and Excise.
[5 marks]
- c. Briefly discuss the benefit of buying goods and services within the SACU region?
[5 marks]
- [15 Marks]**

Question 6

Compare and contrast the Income Tax Withholding Tax and the VAT reverse charge mechanism.
[15 marks]

Question 7

Explain the process of importation and Exportation under Customs and Excise.
[15 marks]

Question 8

Consider whether or not Customs duties are the same as VAT paid at importation. Depending on your answer what would be the tax payable in respect of the importation of E2500.00 cell phone imported directly from Mozambique. Illustrate you computations.
[15 marks]