



**PENINSULA**  
**COLLEGE**  
GEORGETOWN DK266-03(P)

## FINAL EXAMINATION

Semester	:	<b>SEPTEMBER 2025 SEMESTER</b>
Programme Name	:	<b>DIPLOMA OF ACCOUNTANCY</b>
Course Code & Name	:	<b>DBTX4023 TAXATION II</b>
Duration	:	<b>3 HOURS</b>

### INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY**.
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ALL** questions in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

### WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from Peninsula College Georgetown.

*(This booklet contains 4 printed pages including this page)*

**DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO**

Answer **ALL** questions on the separate sheet provided.

**[100 marks]**

1. Mimi Furniture Sdn. Bhd., a manufacturing factory engaged in the manufacture of furniture. The company's Statement of Profit and Loss for the Year Ended 30 September 2024 shows the following:

	Note	RM '000.00	RM '000.00
Sales			52,777
Less: Cost of Goods Sold			(32,400)
Gross Profit			20,377
Less:			
Other Operating Expenses (Allowable)		8,100	
Professional Expenses	a	180	
Entertainment	b	320	
Depreciation		183	
Director Remuneration	c	19	
Motor Vehicle Expenses	d	98	
Salaries	e	145	
Business Zakat		10	
Library Facilities	f	60	(9,115)
			11,262
Donations	g		(150)
Profit Before Tax			11,112

- a. Professional expenses comprise:

Legal expenses to obtain a business loan	RM33,000.00
Legal expenses to obtain the director's personal loan	RM22,000.00
Taxation agent filing fee	RM25,000.00
Consultancy fees paid to a local consultant engaged to implement and oversee the usage of information technology for improving the management and production processes of the company	RM100,000.00

- b. Entertainment expenses were entertaining with existing customers RM300,000.00 and supplier RM20,000.00.
- c. The director's fee was declared on 30 June 2024 and fully paid on 2 July 2024.
- d. Motor vehicle expenses included the depreciation of the motor vehicle RM48,000.00.
- e. Salaries included the wages of RM46,000.00 paid to Haresh, a disabled employee.
- f. The sum of RM60,000.00 was incurred in providing library facilities which are accessible to the public.
- g. Donations comprise:

Approved donation from IRB	RM100,000.000
Donation of furniture to schools	RM50,000.00

- h. Capital allowance for the Year of Assessment 2024 amounted to RM195,000.00.

You are required to compute the tax payable of Mimi Furniture Sdn. Bhd. for the year of assessment 2024.

(25 marks)  
Total: [25 marks]

2. The partnership of Karen, Musica and Wivvy commenced a Yummy Partnership on 1 January 2023. Wivvy ceased to be a partner on 30 September 2024. Jessica joined the partnership on 1 October 2024. The partnership agreement provided for the following:

	Salary (RM)	Interest on Capital (RM)	Private Expenses (RM)
Karen	30,000.00	5,700.00	10,000.00
Musica	36,000.00	Nil	15,000.00
Wivvy	Nil	2,400.00	Nil
Jessica	18,000.00	2,000.00	Nil

Profit Sharing Ratio	Karen	Musica	Wivvy	Jessica
1 January to 30 September	1/2	1/4	1/4	Nil
1 October to 31 December	1/2	1/4	Nil	1/4

The partnership's trading, profit and loss account for the year ended 31 December was as follows:

	RM
Revenue	8,609,300.00
Less: Cost of Sales	(8,152,100.00)
Profit	457,200.00
Less: General Overhead	(229,600.00)
Net Profit for the Year	227,600.00

Capital Allowance for the Year of Assessment 2024 was RM135,000.00.

You are required to compute the statutory income of each partner from the partnership for the Year of Assessment 2024.

(25 marks)  
Total: [25 marks]

3. Jia En acquired a bungalow for a consideration of RM350,000.00. The sum was paid in full on 20 August 2022. The bungalow was transferred to her on 10 December 2022. There was no written agreement for the purchase of the bungalow. Other costs incurred by Jia En were as follows:

	RM
Stamp Duty on Transfer	3,500.00
Cost of Extension to Bungalow	50,000.00
Interest on Mortgage Loan	62,000.00

In January 2024, Jia En received RM30,600.00 from a developer as compensation for damages to her bungalow caused by piling work carried out on the adjacent land. In addition to that, Jia En also received RM11,200.00 from the insurance company for the said damage. In September 2024, he received a forfeited deposit of RM10,000.00 from a potential buyer who eventually called off the deal.

Jia En sold her bungalow for RM500,000.00 as evidenced by the Sale and Purchased Agreement dated 15 September 2024. The consideration was paid to her on 1 October 2024. She incurred the following expenditure in connection with the sale:

	RM
Valuation Fee	6,700.00
Cost of Advertisement	1,300.00
Brokerage Fees	12,500.00
Legal Fees for Defending the Title	4,100.00

Disposal Period	Companies	Individual
Within 3 years	30%	30%
In the 4 <sup>th</sup> year	20%	20%
In the 5 <sup>th</sup> year	15%	15%
In the 6 <sup>th</sup> year and thereafter	10%	0%

You are required to:

- a) Determine the Acquisition Date and Disposal Date for the transaction. (2 marks)
- b) Compute the RPGT payable for the Year of Assessment 2024 arising from Jia En's disposal of the bungalow. (23 marks)  
Total: [25 marks]
4. a) Explain the term of Service Tax and provide **ANY TWO (2)** examples of services subject to service tax in Malaysia under **Group I**. (4 marks)
- b) List down the Service Tax rate for the following services: (8 marks)

Service	Tax Rate
Parking	
Telecommunication services	
Auditing services	
Private clubs	
Karaoke centre	
Logistics service	
Education	
Construction work	

- c) Only One Sdn. Bhd. is a Malaysian resident company involved in the food and beverage related business. In 2024, the company placed a fixed deposit of RM4,000,000.00 in Public Bank Bhd. and received a total of RM160,000.00 interest from the fixed deposit.

You are required to:

- i) Explain the basis of taxation for interest income in Malaysia. (1 mark)
- ii) Explain the **FOUR (4)** of the exempt interest income under Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. (4 marks)
- iii) Explain with any **FOUR (4)** badges of trade, whether Only One Sdn. Bhd. is liable to income tax on the interest's income. (8 marks)  
Total: [25 marks]

**- END OF QUESTIONS -**