



PENINSULA
COLLEGE
GEORGETOWN DK266-03(P)



UNIVERSITY OF
PLYMOUTH

FINAL EXAMINATION

Semester	:	SEPTEMBER 2025 SEMESTER
Programme Name	:	BA (HONOURS) ACCOUNTING & FINANCE 3+0 IN COLLABORATION WITH UNIVERSITY OF PLYMOUTH
Course Code & Name	:	MAL2033 TAXATION
Duration	:	3 HOURS

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 9 printed pages including this page)

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

TAX RATES AND ALLOWANCES

The following tax rates, allowances and values are to be used in answering the questions.

Income tax rates

**Resident individuals
Chargeable income**

	RM	RM	Rate	Cumulative tax RM
			%	
First	5,000	(0 - 5,000)	0	0
Next	15,000	(5,001 - 20,000)	1	150
Next	15,000	(20,001 - 35,000)	3	600
Next	15,000	(35,001 - 50,000)	6	1,500
Next	20,000	(50,001 - 70,000)	11	3,700
Next	30,000	(70,001 - 100,000)	19	9,400
Next	300,000	(100,001 - 400,000)	25	84,400
Next	200,000	(400,001 - 600,000)	26	136,400
Next	1,400,000	(600,001 - 2,000,000)	28	528,400
Exceeding	2,000,000		30	

**Resident company
Paid up ordinary share capital**

	First RM150,000	Next RM450,000	Excess over RM600,000
RM2,500,000 or less	15%	17%	24%
More than RM2,500,000	24%	24%	24%

Non-residents
Company
Individual

24%
30%

Personal reliefs		RM
Self		9,000
Disabled self, additional		7,000
Medical expenses, expended on parents or grandparents	(maximum)	8,000
Medical expenses expended on self, spouse or child with serious disease, and for fertility treatment, including up to RM1,000 for medical examination and RM1,000 for vaccination, up to RM1,000 for dental examination/treatment, up to RM6,000 for child with learning disability	(maximum)	10,000
Basic supporting equipment for disabled self, spouse, child or parent	(maximum)	6,000
Study course fees for skills or qualifications including up to RM2,000 for recognized upskilling and self-enhancement courses	(maximum)	7,000
Lifestyle allowance	(maximum)	2,500
Additional lifestyle allowance for sports related items	(maximum)	1,000
Spouse relief		4,000
Disabled spouse, additional		6,000
Child - basic rate	(each)	2,000
Child - higher rate	(each)	8,000
Disabled child	(each)	8,000
Disabled child, additional	(each)	8,000
Childcare (below six years old)	(maximum)	3,000
Breastfeeding equipment	(maximum)	1,000
Life insurance premiums	(maximum)	3,000
Contributions to approved funds	(maximum)	4,000
Private retirement scheme, deferred annuity premiums	(maximum)	3,000
Medical and/or education insurance premiums for self, spouse or child	(maximum)	4,000
Contribution to Social Security Organisation (SOCSO)	(maximum)	350
Payment for use of electric vehicle charging facility for non-business use	(maximum)	2,500

Deposit for a child into the National Education Savings Scheme	(maximum)	8,000
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Rebates

Chargeable income not exceeding RM35,000	RM
Individual - basic rate	400
Individual entitled to a deduction in respect of a spouse or a former wife	800

**Value of benefits in kind
Car and fuel scale**

Cost of motor car (when new)	Prescribed annual value of private usage of motor car	Prescribed annual value of private petrol
RM	RM	RM
Up to 50,000	1,200	600
50,001 to 75,000	2,400	900
75,001 to 100,000	3,600	1,200
100,001 to 150,000	5,000	1,500
150,001 to 200,000	7,000	1,800
200,001 to 250,000	9,000	2,100
250,001 to 350,000	15,000	2,400
350,001 to 500,000	21,250	2,700
500,001 and above	25,000	3,000

The value of the motor car benefit equal to half the prescribed annual value (above) is taken if the car provided is more than five (5) years old.

Where a driver is provided by the employer, the value of benefit is fixed at RM600 per month.

Other benefits

	RM per month
Household furnishings, apparatus and appliances:	
Semi-furnished with furniture in the lounge, dining room, or bedroom	70
Semi-furnished with furniture as above plus air-conditioners and/or curtains and carpets	140
Fully furnished premises	280
Domestic help	400
Gardener	300

Capital allowances

	Initial allowance (IA) Rate %	Annual allowance (AA) Rate %
Industrial buildings	10	3
Plant and machinery - general	20	14
Motor vehicles and heavy machinery	20	20
Office equipment, furniture and fittings	20	10
Computers	40	20

Agriculture allowances

Buildings for the welfare of, or as living accommodation for farm employees	Nil	20
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Other buildings used in the business	Nil	10
All other qualifying agricultural expenditure	Nil	50

Real property gains tax

	Companies incorporated in Malaysia. Trustee of a Trust; body of persons	A disposer who is not a citizen and not a permanent resident, or an executor of the estate of a deceased person who is not a citizen and not a permanent resident; or a company not incorporated in Malaysia	All other persons
Category of disposal	Rate %	Rate %	Rate %
Disposal within three years after date of acquisition	30	30	30
Disposal in the fourth year after date of acquisition	20	30	20
Disposal in the fifth year after date of acquisition	15	30	15
Disposal in the sixth year after date of acquisition or thereafter	10	10	0

Sales and service tax

Sales tax rate	5%/10%
Service tax rate	6%/8%

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

[100 marks]

1. Aisha Rahman is a freelance consultant who travels between Malaysia and Singapore for work. She has no fixed place of residence and stays in serviced apartments during her time in Malaysia. Below are her periods of stay:

Year	Period of Stay in Malaysia	No. of Days
2020	1.5.2020 – 20.5.2020	20
2021	1.1.2021 – 31.12.2021	365
2022	1.1.2022 – 21.1.2022	21
2023	1.6.2023 – 31.8.2023	92
2024	1.1.2024 – 30.4.2024	120

- a) Determine her residence status for YA2020 to YA2024. State your reasons and relevant sections. (15 marks)
- b) Explain **FIVE (5)** benefits of being a tax resident in Malaysia. (10 marks)
Total: [25 marks]
2. Amina, a tax resident in Malaysia, is married with two children: Sara, aged 3 years, and Daniel, aged 20 years. Amina has been employed as a project engineer by SuperTech Sdn Bhd since 1 February 2021. Her statutory employment income for YA 2025 from SuperTech Sdn Bhd is RM102,000.

Other details of Amina's income and expenditure incurred during the year 2025 are as follows:

- Dividend income of RM18,000 received from listed shares
- Interest income of RM2,500 from a savings account with Maybank
- Sara is attending a private kindergarten. Amina incurred RM4,000 for her fees in 2025
- Daniel is enrolled in a professional law course and receives a RM5,000 bursary from his university. Amina paid RM3,500 for his tuition in 2025
- Payment for internet subscription of RM1,500
- Purchase of sports attire and equipment of RM800
- Purchase of books and printed materials amounting to RM1,200
- IVF treatment amounting to RM8,000
- Private retirement scheme (PRS) contributions amounting to RM3,000
- Amina paid a life insurance premium of RM3,000 for a policy with Prudential, paid on 10 January 2026
- Contributions to EPF and Socso by Amina amounted to RM9,000 and RM850 respectively.

Amina's husband is a freelance photographer. His income for 2025 amounted to RM48,000.

- a) Compute the income tax payable of Amina for the year of assessment 2025.

Indicate the use of '0' for any item referred to in the question for which no adjusting entries need to be made in the tax computation. (20 marks)

- b) Discuss **THREE (3)** responsibilities of an individual taxpayer in Malaysia to ensure timely and accurate tax filing. Explain how failure to meet these responsibilities can lead to enforcement actions. (5 marks)

Total: [25 marks]

3. Plastipack Sdn Bhd is engaged in the manufacture of plastic food packaging. The company's profit and loss account for the year ended 31 December 2024 shows the following:

	Note	RM'000	RM'000
Sales	1		35,750
Cost of sales	2		<u>(26,600)</u>
Gross profit			9,150
Less:			
Salaries, wages and EPF	3	6,980	
Legal expenses	4	110	
Repairs and maintenance	5	590	
Depreciation		783	
Annual general meeting expenses	6	200	
Practical training	7	210	
Insurance proceeds	8	(580)	
Staff welfare	9	100	
Penalty for late submission of tax return		68	
Hire purchase interest		<u>500</u>	<u>(8,961)</u>
Profit before taxation			<u>189</u>

Notes

- (1) Sales include an unrealised foreign exchange gain of RM76,000 from export sales.
- (2) Cost of sales includes:
Provision for warranty claims: RM25,000
Actual payment for claims: RM15,000
- (3) Salaries include RM200,000 paid to a Director.
- (4) Legal expenses consist of:
Legal fees for damaged goods in transit: RM5,000
Legal fees to obtain a manufacturing license: RM9,000
- (5) Repairs include RM100,000 spent on expanding the production floor.
- (6) AGM expenses cover postage and printing of directors' reports
- (7) Practical training was provided to non-employees who are Malaysian residents.
- (8) Insurance proceeds relate to a life policy payout on the accidental death of the company's founder. Premiums were previously disallowed.
- (9) RM100,000 was spent on annual appreciation dinner for employees.
- (10) Capital allowance for YA 2024 is RM120,000.
- (11) The company has a paid-up share capital of RM1million.

Required:

Compute the income tax payable of Plastipack Sdn Bhd for the year of assessment 2024.

Your computation should start with the profit before taxation and follow the descriptions used in the notes to the profit and loss account, indicating "nil" for any item that does not require adjustment.

(25 marks)
Total: [25 marks]

4. Mr. Faiz, a Malaysian citizen, sold his double-storey terrace house located in Butterworth on 5 August 2025 for RM850,000. He had purchased the property on 10 June 2017 for RM600,000. During the period of ownership, Mr. Faiz incurred legal fees amounting to RM8,000, and RM10,000 stamp duty in connection with the acquisition and spent RM30,000 on renovation works to upgrade the kitchen and bathrooms. Upon disposal, he paid RM10,000 in agent commission, RM11,000 in valuation fee and RM2,000 for advertising the property.

Mr. Faiz has not previously claimed any RPGT exemption on the disposal of a private residence.

- a) Compute the chargeable gain/loss by Mr. Faiz for the year of assessment 2025. (10 marks)
- b) Explain whether Mr. Faiz qualifies for any RPGT exemption and how it affects his disposal. (3 marks)
- c) Evaluate whether Mr. Faiz should use his one-time RPGT exemption for this disposal. Justify your answer. (2 marks)

ExcelTax Advisory Sdn Bhd is a registered accounting firm based in Kuala Lumpur. In January 2025, the firm provided payroll services to a manufacturing company located in Johor Bahru. The services were completed on 25 January 2025, and an invoice was issued on 30 January 2025. Payment was received on 15 February 2025.

In the same month, ExcelTax also provided tax planning services to a company based in Singapore. The services were delivered entirely online and related to the client's operations in Thailand. An invoice was issued on 5 February 2025, and payment was received on 30 April 2025.

ExcelTax failed to submit its service tax return for the taxable period ending 31 March 2025.

- d) Explain the service tax treatment for the payroll services provided to the Johor Bahru client. (3 marks)

- e) Determine when service tax becomes due for the invoice issued on 30 January 2025. (2 marks)

 - f) Assess whether service tax is applicable to the services provided to the Singapore-based company. (3 marks)

 - g) Evaluate the penalty for failing to submit a service tax return and recommend **ONE (1)** internal control to prevent recurrence. (2 marks)
- Total: [25 marks]

-END OF QUESTIONS-