1 CparApril2023 IcparApril2023 Icpar

MARKING GUIDE AND MODEL ANSWERS

023 IcparApril.**S3.3** IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023**Page 1'of 12** 

## **SECTION A**

## Marking guide 023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20

Question No	The correct answer
123 IcparApril2023 IcparApril2023 IcparApril2	023 Jenar April 2023 Jenar April 2023 Jenar April
$\frac{2}{2}$ 3 IcnarApril2023 IcnarApril2023 IcnarApril2	023 IcnarApril2023 IcnarApril2023 IcnarApril
323 IcparApril2023 IcparApril2023 IcparApril2	023 IcparApril2023 IcparApril2023 IcparApr
A 3 IcparApril2023 IcparApril2023 IcparApril2	023 IcparApril2023 IcparApril2023 IcparApr ©2
5.3 IcparApril2023 IcparApril2023 IcparApril2	023 IcparApril2023 IcparApril2023 IcparApr <b>A</b> 2
6 3 IcparApril2023 IcparApril2023 IcparApril2	023 IcparApril2023 IcparApril2023 IcparAprC
🍞 3 IcparApril2023 IcparApril2023 IcparApril2	023 IcparApril2023 IcparApril2023 IcparApr <b>D</b> ?
🔞 3 IcparApril2023 IcparApril2023 IcparApril2	023 Icpar $A$ pril $2$ 023 Icpar $A$ pril $2$ 023 Icpar $A$ pr $\stackrel{ extbf{D}}{ extbf{D}}$
9 3 IcparApril2023 IcparApril2023 IcparApril2	023 Icpar $A$ pril $2$ 023 Icpar $A$ pril $2$ 023 Icpar $A$ pr $\overline{\mathbf{c}}$
$10^{1}$ CparApril2023 IcparApril2023 IcparApril2	023 IcparApril2023 IcparApril2023 IcparApril2

Award 2 marks for	each correct a	answer 7/12/023		Icpa Marks
Total marks for the	is section 2023			IcparApril20 IcparApril20
Model answers				
<b>QUESTION ONE</b>				
The convect energy	wie A / manna			

## Source of Taxable Income vil 2023 Icpar April 2023 Icpar

According to Article 5 of Law 16/2018, income taxable in Rwanda includes the following activities performed in Rwanda by any person and activities performed abroad by a resident of Rwanda:

- i. Services and employment;
- ii. Activities of a crafts person, singer, artist and a player;
- iii. Sports, cultural and leisure activities; April 2023 Icpar April 2
- iv. Activities carried on by a non-resident through a permanent establishment in Rwanda;
- v. Use, sale, lease and free transfer of business movable assets;
- vi. Sale, lease and free transfer of immovable assets allocated to the business;
- vii. Crop farming, animal farming, fishing and forestry activities;
- viii. Usufruct and other rights attached to immovable assets and their sale if such rights are allocated to the business;
- ix. Investments in shares of companies;
- x. Direct or indirect sale or transfer of shares or debentures;
- xi. Change of profits into shares that increases the capital of partners;

S3.3 Jenar April 2023 Jenar April 2023 Jenar April 2023 Jenar April 2023 Jenar April 202 Page 2 of 12

- xii. Distribution of profits among partners;
- xiii. Lending, deposits and other similar income generating activities;
- xiv. Transfer, sale and lease of intellectual property;
- xv. Any other income generating activities.

#### **OUESTION TWO**

## The correct Answer is D

	23 Icpa FRW
Income from local sources ril2023 IcparApril2023 IcparApril2023 IcparApril20	20,000,000
Foreign income gross (10,000,000*100/75) 12023 IcparApril2023 IcparApril20	2313,333,333
2 Taxable income 23 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20	2333,333,333
Taxable liability?3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20	2310,000,000
less tax paid for outside (25%*13,333,333) 12023 IcparApril2023 IcparApril20	23 3,333,333
<sup>2</sup> Tax payable <sup>1</sup> 2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20	6,666,667

#### **QUESTION THREE**

#### The correct Answer is C

#### Permanent Establishment

According to Article 6 of Law 16/2018, one of the following areas is considered as a permanent establishment:

- A place of management;
- ii. A branch;
- iii. A factory or a workshop;
- iv. A mine, a quarry or any other place for an exploitation of natural resources;
- v. A site set for construction, construction site or a place where supervision or assembly works are carried out;
- vi. Place of provision of services, including consulting services, carried on by a person, with the support of employees or other personnel, for more than ninety (90) days in a twelve (12) month period, either continuously or intermittently.

## A person is considered as not to be a permanent establishment if that person:

- i. Uses facilities solely for the purpose of storage of goods or merchandise belonging to him/her;
- ii. Maintains a stock of goods or merchandise belonging to him/her solely for the purpose of storage;
- iii. Maintains a stock of goods or merchandise belonging to him/her solely for the purpose of processing by another person;

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- iv. Has a place of operation aimed purposely at purchasing goods or merchandise or collecting information related to his/her business;
  - v. Has a place of operation solely for the purpose of performing, within the context of his/her activities, any other activities of a preparatory nature or intended to make them more effective.

## **QUESTION FOUR**

## The correct answer is CApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023

All businesses with turnover in excess of RWF 20, 000,000 per year are obliged to keep the following records:

- i. Business assets and liabilities
- ii. Daily records of income and expenses paragraphic and expenses parag
- 023 IcparApril iii. Purchases and sales of goods and services related to the business parApril2023 IcparApril
- 023 IcparApril iv. Records of closing trading stock IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023

## QUESTION FIVE IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023

#### The correct answer is A

	FKW
Proceeds from the sale of shares (500,000*340)	170,000,000
Cost of shares (500,000*200)	100,000,000
Capital gain	70,000,000
Capital gain tax (70,000,000*5%)	3,500,000

IcparApril2023 IcparApril2023 IcparApril2023 IcparApril7

## **QUESTION SIX**

## The correct answer is Capril2023 JeparApril2023 Jep

	uzuzs icpar <b>FRW</b>
Annual turn over	19,900,000
Tax 3% April2023	12023 19597,000

#### **QUESTION SEVEN**

## The correct answer is Dapril 2023 Icpar April 2023 Icpar

	ri(2023 lepar <b>FRW</b> 20
Interest charged (400,000,000*12%) arApril2023 IcparApril2023 IcparAp	71202348,000,000
Interest allowed (50,000,000*4*12) parApril2023 IcparApril2023 IcparAp	24,000,000

023 JeparApril S3.3 JeparApril2023 JeparApril2023 JeparApril2023 JeparApril2023 JeparApril2023 **Page 4 of 12** 

#### **OUESTION EIGHT**

#### The correct answer is D

#### Conditions for bad debt

Article 31 of Law 16/2018 provides that in the determination of business profit, a deduction is allowed for bad debts if the following conditions are fulfilled: 023 legar April 2023 legar April

- i. If an amount corresponding to the debt was previously included in the income of the taxpayer; April 2023 Icpar April 2023
- ii. If the debt is written off in the books of accounts of the taxpayer;
- iii. If the taxpayer has taken all possible steps in pursuing payment and has shown a court decision declaring the insolvency of his/her debtor.

However, for an individual whose debt is less than three million Rwandan francs (3,000,000 RWF) in addition to the conditions referred to in points 1° and 2° of Paragraph One of this Article, the taxpayer must provide proof that he has taken all reasonable steps over a period of three (3) years to recover the debt.

#### **OUESTION NINE**

#### The correct answer is C

It is only the construction companies that are allowed to carry backward the tax loss. Other are not, they are allowed to carry forward the loss as per income tax law.

#### **OUESTION 10**

#### The correct answer is A

	FRW
CIF	140,000,000
WHT (5%)	7,000,000
Consultancy to government	50,000,000
WHT (3%) 12023 Januar April 2023 Januar April 20	1,500,000
Total WHT	8,500,000

Option B is not correct as it considered WHT of 5 % on CIF and 15% on consultancy services

**Option** C is not correct as it considered WHT of 15% on both CIF and consultancy services.

**Option D** is not correct as it considered WHT of 30% on both CIF and consultancy services.

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## 023 IcparApril2023 IcparApril2023 IcparApril2023 Icp.<mark>SECTION B</mark>rApril2023 IcparApril2023 IcparApril2023 IcparApril 023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril

## 023 IcparApril QUESTION 11023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023

## Marking guide

Award 0.5 marks for each transaction apart from house and car benefits  Award 1 mark for computation of house benefit	cparAprii2023 IcparApr
O23 Icpar April 2023 Ic	1 110000 7
	cparAprii2023 1cparApr
Award 1 mark for computation of car benefit	I MARGO I
023 leparApril2\(\textbf{Total}\) parApril2023 leparApril2023 lepa	cparApri <del>7</del> 2023 1cparApr
b. Individual exempted from employment income tax	
Award 1 Mark on each point listed	<b>J</b>
Total Marks 023 IcparApril2023 Icpar	cparApril 2023
023 IcparApril Model answers023 IcparApril2023 Icpa	
023 IcparApril2023 Ic	
023 IcparApril. (a) 3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 Ic	
O23 IcparApril2 Computation of taxable employment income 3 IcparApril2023 IcparApril2023 Ic	
023 IcparApril2(Particulars Particulars)   12023 IcparApril2023 Ic	cpar <sub>FRW</sub> 023 IcparApr
	9,600,000 O23 IcparApr
Add other cash benefits  Add other cash benefits	cparApril2023 IcparApr
	2,400,000
Medical allowance (50,000*12)	600,000
IZA TEOGRADITIZALZA TEOGRADITIZALZA TEOGRADITIZALZA EEDGRADITIZALZA TEOGRADITEZALZA TEOGRADITEZALZA TEOGRADITEZ	1,200,000
Performance bonus (1%*9,600,000)	96,000
VAJ 10)/θΕΣΕΡΓΙΙΆVAJ 10)/θΕΣΕΡΓΙΙΆVAJ 10)/θΕΣΕΡΓΙΙΆVAJ 16)/θΕΣΕΡΓΙΙΙΙΑVΑJ 10)/θΕΣΕΡΓΙΙΆVAJ 10)/θΕΣΕΡΓΙΙΑΔΧΑΙ Ε	3,896,000
Add benefits in kind	cparApril2023 IcparApr
	1,389,600
and robustribe superior robustribe superior robustribe superior robustribe superior	2,779,200
	8,064,800 023 IcparApr
023 IcparApril2 Tax liability il 2023 IcparApril 2023 IcparApril 2023 IcparApril 2023 IcparApril 2023 IcparApril	
023 IcparApril20 <b>0 - 360,000 0%</b> 23 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 Ic	cparApril2023 IcparApr
023 IcparApril2 360,001 -1,200,000 20% pril2023 IcparApril2023 IcparApril2023 IcparApril2023 Ic	168,000 023 IcparApr
023 IcparApril2(1,200,001 - 18,064,800 30% 2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 I	5,059,440 023 IcparApr
023 IcparApril2 Tax payable 2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 I	5,227,440 023 IcparApr

023 IcparApril **S3.3** IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril202. Page 6 of 12 23 IcparApril2

023 IcparApril2023 Ic

(b)

## Individuals whose income is exempted from employment income tax

- i. A foreigner who represents his/her country in Rwanda;
- ii. Any other individual employed in any Embassy, Legation, Consulate or Mission of a foreign state performing State affairs, who is a national of that State and who owns a diplomatic passport; //2023/cpar/april/2023/cpar/
- iii. A non-citizen individual employed by an international organization that has signed an agreement with the Government of Rwanda in accordance with Rwandan laws.

#### **QUESTION 12**

#### Marking guide

2(a) IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023	Marks
Allowable and non-allowable expenses pril2023 IcparApril2023 IcparApril2023	
Conditions for allowable expenses 0.5 mark each point Max 2023 IcparApril2023	Icp2rApri
Examples of non-allowable expenses 0.5 Mark Max an April 2023 Icpar April 2023	Icp2rApri
?( <b>Total</b> parApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023	Icp4rApri
$\mathcal{D}(\hat{\mathbf{b}})$ Icpar $A$ pril $2023$	
Computation of depreciation base of tax base 0.5 marks Max	Ic2.5Apri
Computation of depreciation of tax base 0.5 marks Max	Ic3.5Apri
<sup>2</sup> (Total par April 2023 Icpar April 2023	Icp6rApri
Total Marks 2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023	1cp10 <sup>Apri</sup>

#### Model answers

(a)

#### Differentiation between allowable expenses and non-allowable expenses

Article 25 of Law 16/2018 provides that in determining profits on business activities, expenses deducted from taxable income must fulfil the following conditions:

- i. They are incurred for the direct purpose of the business and they are directly chargeable to the income; 1/2023 IcparApril2023 IcparApril2
- ii. They correspond to a real expense and can be substantiated with proper purchase receipts;
- iii. They lead to a decrease in the net assets of the business; 1/2023
- iv. They are used for activities related to the tax period in which they are incurred

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#### Non-deductible expenses from taxable income 3 lopar April 2023 lopar.

According to Article 26 of Law 16/2018, the following expenses are not deductible from the taxable business income:

- i. Dividends declared and profits paid-out to their beneficiaries;
- ii. Reserve allowances, savings and other special-purpose funds, unless otherwise provided for by this Law;
- iii. Fines and similar penalties; donations, save for donations given to non-profit making organisations the value of which does not exceed one percent (1%) of the turnover;
- iv. Income tax paid in accordance with this Law or paid abroad on business profit and recoverable Value Added Tax (VAT);
- v. Personal consumption expenses;
- vi. Entertainment expenses except for expenses on general sporting activities for employees;
- vii. Twenty per cent (20%) of expenses paid on business overheads as in the case of telephone, water, electricity and fuel whose private and business use cannot be practically separable;
- viii. Management, technical services and royalty fees paid to a non-resident person exceeding two percent (2%) of the turnover of the taxpayer;
- ix. Interest arising from loans between related persons either paid or due on a total loan which is greater than four (4) times the amount of equity

(b)3 IcparApril2023 IcparApril2023 IcparApril2023 Ic

## Computation of depreciation to be recognised in income tax

	1202 <b>Land</b> 12023 Icpan	Buildin	Heavy Machines	Patent Parights	Compu ters	Other assets	par <b>Total</b> ( parApril2(
	1202FRW	Ap FRW	FRW (000)	Icp FRW	202 FRW	Apri FRW	pa FRW
	1202(000)	AP (000)	IcparApril2023	Icp (000)	(000)	April (000)	(000)
Cost IcparApri	100,000	160,000	220,000	20,000	10,000	86,000	
New assets					5,000	40,000	
Dep Base		160,000	220,000	20,000	15,000	126,000	
Dep Rate		5%	1cparApri 5%	10%	50%	25%	
Depreciation	12023 1010	8,000	11,000	2,000	7,500	31,500	60,000
WDV	100,000	152,000	209,000	18,000	7,500	94,500	
31/12/2021							

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#### 023 IcparApril2**QUESTION 13**023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20

## Marking guide

ril 2023 Icpa: April 2023 IcparApril 2023 IcparApril 2023 IcparApril 2023 IcparApril 2023 IcparApril 2023 Icpar
a. Computation of ta to be declared and stating the declaration date parApril2023 lope Marks
wil2 Each transaction 0.5 marks Max 3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023
Stating the declaration date 1 mark Max pril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023
oril2( <mark>Total</mark> narApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApri <b>3</b> (
<b>b.</b> Computation of quarterly prepayments and stating the dates
Calculation of quarterly prepayments 1 mark Max 2
Stating the quarterly prepayment dates 1 mark Max 3
Total var $April 2023$ 1cpar
c. Documents required during declaration
Each document 1 mark Max 5
d. Income tax submission procedures
Each point explained 1 marks max
rii 2023 Tepar April 2023 vril 2023 Tepar April 202
e. Taxpayer exempted from withholding tax
Each point 1 mark Max April 2023 Icpar A
pril2( <b>Total marks</b> ) 2023 IcparApril2023 IcparApril
Model answers
ril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20
a. Computation of tax to be declared and the date of declaration parApril2023 IcparApril20
oril2 (Particulars il2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 Icpa FRW)
Taxable incomes 3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 98,000,000
pril2(Tax payable 12023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20
ril2(0°2°360,000°10%)3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20
76 360,000 - 1,200,000 20% 77 2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 Iclas,000
1,200,001 - 98,000,000 30% 2023 IcparApril 202
Tax payable 2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 29,208,000
Declaration date 31/3/2022 12023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023
wit2023 IcparApril2023 IcparApril202
b. Computation of the quarterly prepayments and stating the date of declaration [April 20]

#### 023 IcparApril2

	April2023 IcparApril2023 IcparFRW2
2 Tax Liability 2023 IcparApril2023 IcparApril2023 Icpar	April2023 IcparApril202329,208,000
Quarterly Prepayments (29,208,000*25%) 12023 Icpar	April2023 IcparApril2023 17,302,000
<sup>2</sup> Or (29,208,000/4) IcparApril2023 IcparApril2023 Icpar	
Dates of declaration ar April 2023 Icpar April 2023 Icpar	
<sup>2</sup> 30/06/2022 <sup>1</sup> 12023 IcparApril2023 IcparApril2023 Icpar	April2023 IcparApril2023 [7,302,000]
<sup>2</sup> / <sub>30</sub> /09/2022 <sup>i</sup> l <sup>2</sup> 023 IcparApril <sup>2</sup> 023 IcparApril <sup>2</sup> 023 Icpar	April2023 IcparApril2023 [7,302,000]
<sup>2</sup> 31/12/2022 <sup>r</sup> ll <sup>2</sup> 023 IcparApril <sup>2</sup> 023 IcparApril <sup>2</sup> 023 Icpar	April2023 IcparApril2023 7,302,000
<sup>2</sup> 31/03/2023 <sup>il2023</sup> IcparApril2023 IcparApril2023 Icpar	April2023 IcparApr Final declaration

023 IcparApril **S3.3** IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril202. **Page 9 of 12**023 IcparApril2

### c. Documents that are required during the declaration

- Statement of financial position
- Statement of profit and loss
- Depreciation Table
- List of debtors and
- List of creditors | IcparApril2023 | I

#### d. Income tax declaration and payment procedures

- The tax administration has designed all forms of declarations, and these are available to view on the tax administration website.
- 2To submit a tax return, there is a step-by-step guide in the tax return. April 2023 Icpar April 2023
- The declaration form is accessed by entering the TIN of taxpayer and a passcode given by the tax administration.
- Required to fill in the declaration form after, he/she submit it using e-tax system.
- After submission, the system generates a payment reference, which is used to pay the tax declared.
- A declaration is completed after payment of taxes. Taxes are paid through banks, or other and applications of payment like mobile money, mobicash applications are paid through banks, or other and applications of payment like mobile money, mobicash applications are paid through banks, or other applications are paid through banks.

## e. Taxpayers exempted from withholding tax

- Taxpayers who are exempted from CIT or PIT
- Taxpayers with tax certificate clearance (Quitus)

#### **OUESTION 14**

#### Marking guide

(a)		IVIAI NO
Corporate restructuring		
Each point 1 mark Max		)
023 IcparApril2023 IcparApril2023 IcparApril202 (b)		
Each transaction 1 mark Max		IcparApril20
023 IcparApril2023 IcparApril2023 IcparApril202		
(c) IcparApril2023 IcparApril2023 IcparApril202		IcparApril20
Each point 1 Mark Max April 2023 Icpar April 202		IcparApri 20
(d) IcparApril2023 IcparApril2023 IcparApril202		
Computation of tax payable   2023   IcparApril202		
Computing the percentage of completion 2 mark	s Max April2023	IcparApri2
Each transaction 1.5 marks max 3 Japan April 202		IcparApri52
TotalparApril2023 IcparApril2023 IcparApril202		IcparApri72
Total Marks 2023 IcparApril2023 IcparApril202		IcparAp 20

S3.3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20 Page 10 of 12

#### Model answers

#### a. Corporate restructurings

Article 53 defines corporate restructuring as follows:

- i. A merger of two or more resident companies into a separate company; 12023 [cpan/april20]
- ii. The acquisition or a takeover of fifty percent (50%) or more of shares or voting rights, by number or value in a resident company in exchange for shares of the purchasing company;
- iii. The acquisition of fifty percent (50%) or more of the assets and liabilities of a resident company by another resident company solely in exchange of shares in the purchasing company;
- iv. The acquisition of the entire company's assets so that its existence is replaced by the purchasing company;
- v. Splitting of a resident company into two or more resident companies

## b. Tax on liquidation ar April 2023 Icpar April 2023 Icpa

Particulars Particulars   Part	23 IcparApril2023 IcparFRW
Proceeds on the sale of assets	150,000,000
Less liabilities Less l	(80,000,000)
Less share capital	(10,000,000)
Liquidation Proceeds	60,000,000
Tax on liquidation 15%	9,000,000

#### c. Benefits available for issuing shares

- i. Twenty percent (20%) if those companies sell at least forty percent (40%) of their shares to the public;
- ii. Twenty-five percent (25%) if those companies sell at least thirty percent (30%) of their shares to the public;
- 23 IcparApril iii. Twenty-eight percent (28%) if those companies sell at least twenty percent (20%) of their shares to the public of April 2023 IcparApril 202

#### d. Computation of taxable income and corporate income tax

w compared of thruste medical and corporate medical thrustens	
	3 IcparApril202FRWarA
Percentage of completion = Cost of work Certified*100	
2023 IcparApril2023 IcparApril2023 IcparApr Estimated Cost 1202.	
Percentage of completion <u>= 85,000,000*100</u> 2023 IcparApril202	
2 189,000,000,000 3 IcparApril2023 IcparApril2023 IcparApril202	
2 (44.97% April2023 IcparApril2023 IcparApril2023 IcparApril202.	
Revenue for the period (200,000,000,000*44.97%) parapril 202	
Less Expenses 023 IcparApril2023 IcparApril2023 IcparApril202.	
Taxable income 23 IcparApril2023 IcparApril2023 IcparApril202.	4,940,000,000
Tax payable 30%   CparApril2023   IcparApril2023   IcparApril2023	1,482,000,000
2023 IenarAnril2023 IenarAnril2023 IenarAnril2023 IenarAnril202	

S3.3 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20 Page 11 of 12

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023 IcparApri	Computation of corporate income tax	Marks
023 IcparApri	Each transaction 1 mark Max	ril20218
023 IcparApri	Working on donation 2 marks Max	ril20232
023 IcparApril	Total Marks 223 IcparApril2023 IcparAp	20

## **Model answers**

023 IcparApr	Computation of taxable income for Burera Ltd	
023 IcparApr	Particulars 12023 Jenar April 2023 Jenar	FRW (000)
023 IcparApr	Profit before tax 3 Januar April 2023 Januar Apr	023 Jan 26,130 023 Janar April 2
023 IcparApr	Add back non allowable expenses Charaphil2023 Icharaphil2023 Icharaphil2	
023 IcparApr	Advertising 12023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023	023 Icpa 4,000 023 IcparApril2
023 IcparApr	il2 Fines and penalties IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2	023 Icpd12,300 023 IcparApril2
023 IcparApr	il2(Depreciation12023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2	023 Icp 23,600 023 IcparApril2
023 IcparApr	il2(Purchase of furniture) ar April2023 Icpar April2023 Icpar April2023 Icpar April2023	023 Icpd18,000 023 IcparApril2
023 IcparApr	Communication (20%*8000)2023 IcparApril2023 IcparApril2023 IcparApril2	023 Icpar1,600 023 IcparApril2
023 IcparApr	il2 Donation W12023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2	023 Icpar9,4612023 IcparApril2
023 IcparApr	il2(Bad debt April2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2	023 Icpa <mark>8,900</mark> 023 IcparApril2
023 IcparApr	il2(InterestrApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2	023 Icpa <sub>15</sub> ,700 023 IcparApril2
023 IcparApr	Entertainment (10,000*60%)	023 Icpa 6,000 023 IcparApril2
023 IcparApr		023 Icp 99,651 023 IcparApril2
023 IcparApr	Add Understated closing stock (15/85*50,000)	023 Icpar8,824 023 IcparApril2
023 IcparApr		108,475
023 IcparApr	Less Accrued salaries	(14,000)
023 IcparApr	Business income Business income	94,475
023 IcparApr	Less Capital allowances	(17,789)
023 IcparApr	Taxable income	76,776
023 IcparApr	Tax payable (30%)	23,032.8
023 IcparApr		
023 IcparApr	$ii20$ $\hat{W}_1$ <b>Donation</b> 2023 IcparApril2023 Icp	
023 IcparApr	Amount donated <sup>3</sup> IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023	023 Icpa18,670 023 IcparApril2
023 IcparApr	Donation allowed (1%*920,900)	023 Icpar 9,209 023 IcparApril2
023 İcparApr	Not allowed (176 920,900)  Not allowed (176 920,900)	023 Icpar9,461 023 IcparApril2
023 IcparApr	il2023 IcparApril2023	023 IcparApril2023 IcparApril2

# 023 IcparApril2023 IcparApril2 END OF MARKING GUIDE AND MODEL ANSWERS 023 IcparApril2023 IcparAp

023 IcparApril **S3.3** IcparApril2023 IcparApril2023 IcparApril2023 IcparApril2023 IcparApril20 **Page 12 of 12** 23 IcparApril2