



Think Ahead **ACCA**

9 March 2016

**F6 Taxation IRL
Examiner
Presentation**

Structure of presentation

- Syllabus overview
- Examinable legislation
- Exam format
- Examples from past papers
- Guidance from feedback on past exams

The presentation will start with an overview of the F6 Taxation (IRL) syllabus, examinable legislation and details of the exam format.

I will then go on to provide some examples from Section A of the past exam paper to illustrate how precise knowledge is required for candidates to be able to answer the multiple-choice questions (MCQs) and why question practice is so important.

This will lead into some discussion of the importance of using up-to-date learning materials that contain relevant practice questions in the format of the final exam.

Lastly, I will speak about the typical areas where students struggle based on my experience of candidate performance in the ACCA F6 Taxation (IRL) exam.

Syllabus overview

Objectives of the F6 Taxation (IRL) paper

To develop knowledge and skills relating to the tax system as applicable to individuals, single companies, and groups of companies, applicable to Ireland.

Syllabus

The F6 syllabus has not undergone any radical changes, changes to the syllabus have been made mainly for clarification purposes with some small changes allowing for new legislation that is regarded as being of a fundamental standard.

The purpose of the F6 Taxation (IRL) syllabus is to cover the core areas of the main taxes within the Irish tax system as they affect both individuals and companies. Therefore, after having studied the syllabus, candidates should be able to calculate tax liabilities and explain the basis of their calculations as well as apply tax planning techniques (very limited in scope) and identify compliance issues. The syllabus is mainly examined at cognitive Level 2 which is recognised as being mainly application and analysis.

Main Syllabus areas

Section A	The Irish tax system and its administration
Section B	Income tax liabilities
Section C	Corporation tax liabilities
Section D	Chargeable gains
Section E	Local property tax
Section F	Social insurance and universal social charge
Section G	Value added tax

The above gives an overview of the taxes covered by the F6 Taxation (IRL) syllabus.

Link to syllabus:

<http://www.accaglobal.com/content/dam/acca/global/PDF-students/acca/f6/studyguides/f6irl-sg-2016.pdf>

Examinable legislation

For F6 Taxation (IRL) paper, ACCA publishes tax rates and allowances tables once a year. This same information will be produced at the front of each exam paper.

The June and December 2016 will be based on legislation passed on/before 30 September 2015. This means that in effect the Finance Act 2014 will be the examinable act.

The 2015 tax rates and allowances tables for the 2016 June and December sitting are published on the ACCA website at the following link:

<http://www.accaglobal.com/content/dam/acca/global/PDF-students/acca/f6/examdocs/f6-irl-examdocs-2016.pdf>

Exam format

New exam format since June 2015

All questions are compulsory
Tax reference material at the front of each paper
Questions are predominantly computational

Section A

15 MCQs, 2 marks each, can cover any area of the syllabus

Section B

4 x 10 mark questions, can be on any area of the syllabus

2 x 15 marks, one predominantly income tax focussed
and the other one predominantly corporation tax focussed

The F6 Taxation (IRL) paper is predominantly computational, however there will be a balanced mix of computational and theory MCQs. There will also be discursive elements to some of the question requirements in Section B where a candidate may be required to explain or discuss tax issues or the tax implications of a particular course of action.

Changes to the reading and planning time (RAPT)

- From September 2016 onwards, the restriction on the use of the first 15 minutes' is being removed

F6 (IRL) (and P6 (IRL) – June 2016 session

- The exams will be 3 hours in length with 15 minutes' RAPT as previously

F6 (IRL) (and P6 (IRL) – December 2016 session

- The exams will be 3 hours and 15 minutes in length with no restrictions on how the time may be used.
- We still encourage candidates to take time at the start of the exam to read the questions carefully and plan their answers.

In the June 2016 session, the exam will be 3 hours in length with 15 minutes' reading and planning time (RAPT). During the 15 minutes RAPT, candidates can annotate the question paper but they cannot start writing their answers in the answer booklet.

For all paper-based exams commencing September 2016 onwards, ACCA has removed the restriction relating to the 15 minutes' reading and planning time and candidates may now use this time however they choose. Therefore, the December 2016 exam will be three hours and 15 minutes in length. ACCA still encourages candidates to take time at the beginning of the exam to read questions carefully and to plan answers. However, once the exam time has started, there is no restriction as to when candidates may start writing in their answer booklets.

Tutors and candidates should refer to the article on the ACCA website to familiarise themselves with these changes in advance of the December 2016 session:

<http://www.accaglobal.com/uk/en/student/sa/study-skills/rapt-2016.html>

Multiple-choice questions (MCQs)

- Prepare thoroughly
- Think clearly
- Work out the answer
- Structure your approach
- Answer all the questions

Useful article on the ACCA global website:
HOW TO ANSWER MULTIPLE CHOICE QUESTIONS

Exam technique is key to tackling Section A.

There is a useful article on how to answer multiple-choice questions (MCQs) on the ACCA global website at the following link:

<http://www.accaglobal.com/ie/en/student/exam-support-resources/fundamentals-exams-study-resources/f1/technical-articles/how-to-answer-multiple-choice-questions.html>

MCQ from December 2015 – Question 3

Susan disposed of a painting for €2,000 during 2014. She had bought the painting in 2010 for €3,000 and had hoped that the artist would become famous quickly.

What is the amount of Susan's allowable loss for capital gains tax on the disposal of the painting?

- A €460
- B €1,000
- C €0
- D €230

Like all the MCQS in the F6 paper, this MCQ is worth 2 marks. Candidates must select the one correct answer from 4 options.

This MCQ is examining the rule relating to loss relief on chattels (tangible moveable property) where the sales proceeds are less than €2,540 and the cost of the asset is greater than €2,540. Any loss on disposal is to be computed as though the sales proceeds were €2,540.

Solution to Q3 MCQ

The correct answer is A - €460.

The alternatives offered are distractors:

- B is based on the difference between the cost and the sales proceeds
- C Is based on a mistaken assumption that no loss is allowed (given that where sales proceeds are less than €2,540 the gain is exempt)
- D applies a marginal relief approach to the loss

Candidates must be able to apply knowledge correctly to the question information in order to arrive at the correct answer.

B and C are possibly real alternatives, D is less likely. A candidate should be able to quickly eliminate D and then select from the alternatives based on their knowledge.

December 2015 Question 10
The MCQs may be narrative as well as computational.

To which of the following properties will local property tax apply for 2014?

- (1) An apartment over a shop
 - (2) A holiday home abroad
 - (3) A nursing home
 - (4) A home occupied as a principal private residence, bought from a builder in 2014
- A 1 and 4 only
B 1,2 and 4
C 3 and 4
D 1 only

The question examined the scope of LPT. LPT for 2014 applies to Irish residential properties owned at 1 November 2013.

Solution to Q10 MCQ

The correct answer is D - 1 only

The alternative offered are distractors

- A all Irish residential property
- B all residential property
- C the nursing home and the new home

Candidates should have identified quickly that C was incorrect.

Section A, MCQs from June 2016

A small number of specimen questions have been published along with the MCQs from June and December 2015.

Section A of the paper will no longer be published from June 2016. This is a policy decision and applies to all F6 Taxation papers.

Tutors can develop more sample questions themselves by using past exam papers where two marks were awarded for computations eg benefit in kind calculations, filing dates, USC calculations and offer a number of alternative answers based on the common mistaken calculations prepared by students.

Link to the June 2015 additional specimen questions –

<http://www.accaglobal.com/content/dam/acca/global/PDF-students/acca/f6/specimenexams/F6%20IRL%20-%20June%202015%20specimen%20questions.pdf>

Further information on the publishing of past exams can be found at the link below under **Publishing past exams for F5-F9**

<http://www.accaglobal.com/ie/en/student/exam-support-resources/fundamentals-exams-study-resources/f6/past-exam-papers.html>

Performance of candidates

Examination standard of candidates is high.

They are generally well prepared. I expect that candidates will get better at Section A over time. It is good to see candidates attempting all questions in Section A and they should be advised to continue to do so. There is no negative marking.

Section B continues to be similar to the old style of the paper and candidates are well practiced. They generally answer all questions and all parts of the questions.

Answers are laid out well.

Exam technique

- Time management
- Question practice
- New legislation

Candidates have a lot of questions to answer in the allotted time. They need to be very well prepared, have learnt the material on the syllabus and have practiced past exam papers. Candidates should familiarise themselves with the tax rate information by using this while doing their practice questions so they are comfortable using these in the real exam.

Candidates cannot expect the questions they will face in the exam to be the same as those they have practiced – therefore they need to understand what they are doing to be able to adapt to a question being laid out differently or asked in a slightly different way.

Candidates and tutors should be aware of updates, new legislation or slight changes to existing legislation.

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Think Ahead 

Thank you

Any questions?