

# Examiner's report

F6 Taxation (VNM)

June 2010



## General Comments

The examination consisted of five compulsory questions (Question 1 for 30 marks, Question 2 for 25 marks, Question 3 for 20 marks, Question 4 for 15 marks and Question 5 for 10 marks with an approximate 1:1 split requirement for computation and narrative respectively.

Most candidates attempted all five questions although there was some evidence of poor time management, particularly affecting Question 5.

Excellent answers were presented by many for all questions and very high marks were achieved by a number of candidates.

Workings were generally shown and were an improvement from earlier papers. Question 1 and 3 showed indications of candidates unable to clearly calculate the income, deductions and tax liabilities in an efficient way. Many started the answer only to cross it out and start again. This did not necessarily hinder their ability to complete the entire exam, although it did appear to waste valuable time.

Where candidates had crossed out answers and do not replace, marks were still awarded where appropriate

## Specific Comments

### Question One

This 30 mark question on the subject of corporate taxation was generally well answered. There remained a small percentage of candidates who attempted to reconstruct the profit and loss statement from the information provided, i.e. start with sales and deduct expenses to come to an accounting profit with adjustments included. This is despite the question being asked in a similar way to previous exams.

Many struggled with the concept of overseas income with tax paid and the foreign tax credit available. Due to the length and complexity of the question:

Marks were awarded to candidates who treated foreign exchange differences in accordance with Circular 177 or 130.

Marks were awarded to candidates who provided logical calculations of the non-deductible A & P expense.

Marks were awarded for answers where the calculation basis was logical.

Marks were not deducted for incorrect answers.

Only a small percentage of candidates were awarded full marks for this question.

### Question Two

This 25-mark question tested candidates' ability to cope with PIT implications of a taxpayer with multiple non-employment income.

Parts (a) and (b) were generally well answered.

For the calculation part (c):

Marks were awarded for answers where the calculation basis was logical and explanations provided.



As the question did not clearly state whether the remuneration and/or benefits were paid on a gross or net of tax basis, marks were awarded where calculation/s were made and supported by explanations and/or assumptions.

For the tax calculation on the securities transaction, marks were awarded for either the 20% on gain or 0.1% on sale proceeds calculation, provided explanations and/or assumptions were stated.

Part (d) was generally not well answered or not answered at all.

### **Question Three**

This FCT question was generally well answered except for part (c).

Many candidates struggled with the DTA administrative procedures in part (c).

Most candidates provided sufficient answers to score reasonably well.

### **Question Four**

This question differed from previous value added tax (VAT) questions which focussed on administrative treatments rather than a calculation of liability.

The question was almost universally answered very well.

### **Question Five**

This question focused on the Vietnam tax treatment of a foreign fund with investments in Vietnam.

In Part (a) many candidates correctly identified the 0.1% tax applicable to the listed investments and how the tax was collected and other administrative procedures. Generally high marks were awarded

Part (b) and (c) were generally not answered well, although it appears Question 5 was left until the end and candidates were rushing to complete the exam.