

The image features the ACCA logo, which consists of the letters 'ACCA' in a bold, white, sans-serif font. The text is centered within a solid red square. This red square is set against a black background, which is itself enclosed by a thin, gold-colored border.

ACCA



REVIEW OF PAST EXAMS

ARTICLES

Key advice

Teaching tax

Exam reports & teach accounting

So nothing really new to add

**WHAT WAS
DONE WELL?**



**WHAT WASN'T
DONE WELL?**

JUNE 2009

High pass rate of 63% compared to the other skills papers

Areas, such as NIC, that previously caused problems handled with ease

Time wasted calculating gains for exempt assets

DECEMBER 2009

Another good performance with a pass rate of 51%

Questions 1 & 4 were very well answered

Problems with Question 3:

- Base costs not shown
- Business treated as one disposal
- Restriction of incorporation relief not known
- Poor workings for PPR exemption
- Letting relief missed

JUNE 2010

Papers getting a bit predictable

Pass mark out of line with other skills papers

Therefore style of the paper slightly different

Aim of making students think a bit more in order to achieve a pass mark

Will also better prepare students who carry on and sit paper P6 (UK)

JUNE 2010 (continued)

Pass rate of 46% in line with an average for skills papers

Questions 1, 2, 3 & 5 all reasonably well answered

Problems with question 4:

- Lost easy mark not stating that actions were tax evasion
- Use of common sense re marks for ethical viewpoint as regards non-disclosure
- Wrote about an enquiry even though right to raise an enquiry expired
- Little knowledge of discovery assessment despite being given some help
- No awareness of new penalty regime

DECEMBER 2010

Satisfactory performance with a pass rate of 39%

Questions 2, 3 & 5 were well answered, especially question 3

In question 1 students were obviously not expecting a section on PAYE

Question 4 needed some careful planning before attempting the fairly straightforward calculations

DECEMBER 2010 (continued)

Question 1 – Revision notes

P11D = benefits

P60 = end of tax year

P45 = leaving

Question 4(a) – Calculations

Motor car - Benefit £80,000 x 35%

- Income tax £28,000 at 40%

- No employee NIC implications

Director's remuneration - Income tax £26,000 at 40%

- Employee NIC £26,000 at 1%

**WHICH AREAS
NEED TO BE
IMPROVED?**

DO NOT WASTE TIME:

Doing unnecessary calculations

Redoing entire calculations to correct just one omission

By not using common sense - for a 2 mark section an answer should only be two or three sentences or calculations

Writing notes and explanations when not required

Having more workings than are necessary

Saying the same thing twice or in more detail than is necessary

**WHERE CAN
TUITION
PROVIDERS
HELP?**

PASSING F6

Key to passing F6 is picking up the easier marks as quickly as possible

A well prepared student will then have in the region of 40 marks, leaving time to gain sufficient of the harder marks to achieve a pass

With practice questions a mark of 7/10 in 15 minutes is better than 10/10 in 30 minutes

Make sure answers are easy to follow

Poor presentation can mean not getting full credit for an answer if it is difficult to follow

ARTICLES

Updated examiner's approach

Finance Act 2010

Inheritance tax (2 parts)

Capital gains tax (2 parts)

Value added tax (2 parts)

Groups

Overseas aspects of corporation tax



**FOCUS ON
FUTURE
EXAMS**

JUNE 2011 ONWARDS

Questions 3, 4 & 5 will each be for 15 marks

More than one topic could be examined in questions 4 & 5

Groups and overseas aspects of corporation tax may be examined in question 5 for 15 marks

VAT section of the syllabus expanded by inclusion of group VAT registration, imports, exports and trading within the EU

Will continue to include aspects where students are required to think about their answers in order to obtain good marks

INHERITANCE TAX

A basic understanding of IHT added to the syllabus

In either question 4 or 5 for up to 15 marks

Actual nil rate bands will be used for prior years, but no reliefs are examinable

Most important syllabus areas are:

- 7 year accumulation principle
- IHT liabilities on lifetime transfers
- IHT liability on a death estate
- Annual exemption and spouse exemption
- Payment of IHT



WHAT'S NEW?

FINANCE ACT 2010

New information to be given in tax tables:

- Income tax rates for dividends
- Income limit for the standard personal allowance
- Inheritance tax rates and taper relief details

FA article has examples covering the additional rate of income tax and the reduction of the personal allowance

INTERNATIONAL ACCOUNTING STANDARDS

IAS terminology will be used when presenting accounting information. The following terms will be used:

- Income statement
- Sales revenue
- Non-current assets
- Inventory
- Loan notes

Income statements will be presented in IAS format

PENSIONS

ANNUAL ALLOWANCE

For June and December 2011 sittings a calculation of the additional tax charge will not be required

Calculations are now quite complex

CORPORATION TAX ACT 2010

Following terms will be used:

- Taxable total profits
- Total profits (for loss relief questions)
- Augmented profits
- Small profits rate
- Main rate

CAPITAL GAINS TAX

A question will not be set where a disposal is made before 23 June 2010 or involving entrepreneurs' relief limits prior to 23 June 2010

STANDARD RATE OF VAT

A question will not be set involving a VAT period where there is a change in the rate of VAT

However, a question involving the quarter ended 31 March 2011 might state that there were no transactions during the period 1-3 January 2011

PENALTIES

The new penalties for late filing of returns and late payment of tax are being introduced as and when HMRC have the resources available

It is assumed that the new penalties will apply for self-assessment, even though their introduction is not as yet definite



THANKS



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