

# Examiner's report

F6 Taxation (CHN)

December 2010

The ACCA logo consists of the letters 'ACCA' in a bold, white, sans-serif font, centered within a solid black square.

## General Comments

The overall performance of most candidates was satisfactory. Some candidates, however, simply provided what they had studied during the course without answering the question directly. All candidates should read the question carefully. The examination consisted of five compulsory questions. Most candidates attempted all five questions.

Some candidates displayed their answers poorly, with a lack of clear labelling to indicate which questions were being attempted. Each question should be started on a new page and candidates must give more thought to the layout and organisation of their answers.

## Specific Comments

### Question One

In part (a) (i) it was disappointing that most candidates gave the wrong answer for the treatment of the donation even though this area has been examined previously. Some candidates did not list out those items which have no adjustment.

In part (b),(i) many candidates could not state that any loss that has not been offset within five years would be wasted.

In part (c) some students wrote down the 90/183 days for individuals but the question asked for a definition of the term 'resident enterprise'.

### Question Two

In part (a) the answers were generally good but very few candidates were able to correctly answer about the gain from selling a small size house.

Part (b) was generally fairly answered.

### Question Three

In part (a) very few candidates were able to answer correctly about the self-used vehicles for testing purpose with a deemed sale. Students are reminded that this area is important as it is very common in real life to have a similar situation.

In part (b) VAT implications were tested in connection with the disposal of fixed assets/used articles under the new VAT system. This was not answered well. Candidates should be expected to be very familiar in this area of knowledge.

### Question Four

Parts (a) and (b) were generally answered well, however in part (c) many candidates incorrectly answered the filing and payment dates.

### Question Five

In part (a) few candidates mentioned that it must obtain the official charitable donation receipt to qualify for the tax deduction.

In part (b) few candidates mentioned that only donations made to certain organisations can qualify for 100% relief.

In part (c) some candidates wasted their time explaining the cost-plus method rather than explaining if the donation could be excluded from the operating expenses.