

YR 12 ACCOUNTING - WORKSHEET

Date: 23/04/2020

Week: 1

Worksheet No. : 4

Strand no: 2

Strand: Personal Finance

Sub Strand: - Personal Income Tax

Objectives: Students should be able to revise on:

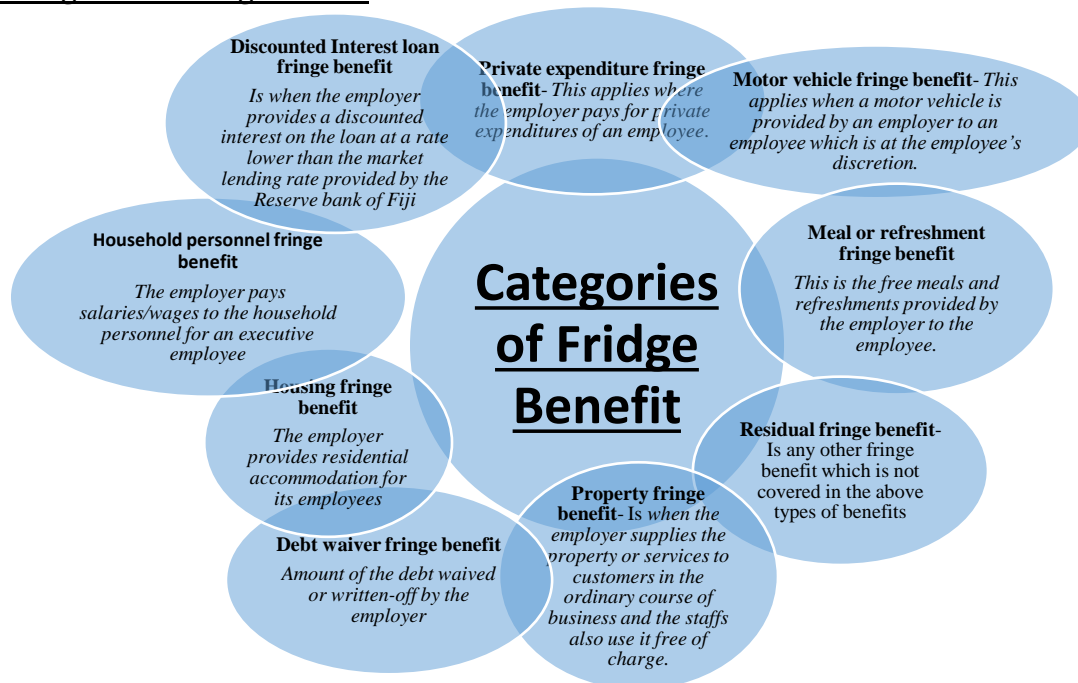
- Definition of fringe benefit tax.
- The categories of fringe benefit tax.
- Service turnover tax.
- Capital gains tax.
- Calculating capital gains tax.

Notes

A. Definition of fringe benefit tax.

- Taxable benefits include any non-cash benefits or benefits received in kind that is provided free by the employer to the employee (e.g. housing, telephone, water, etc.)
- Fringe Benefits Tax (FBT) is a tax levied at the rate of 20% on the fringe benefit taxable amount (non-cash benefits) of the employer for each quarter, with effect from 1 January, 2012.

B. Categories of Fringe Benefit



C. Service Turnover Tax

Service Turnover Tax (STT) is a tax that is levied on the VAT exclusive cost of turnover of any person conducting a business involving the provision of a prescribed service, at the rate of 10%, with effect from 1 January, 2016.

Who should register for STT?

With effect from 1 January, 2012, the owner or the person (Accountable Person) who is responsible for the daily management of a prescribed service should register with the Fiji Revenue and Customs Authority within 30 days before the commencement of the business.

Activities**(8 MARKS)****Instructions**

Students are required to answer the following questions on their own, by recalling what they have already learned in term 1.

A. Multiple Choice**Circle the letter which represents the best answer.****(4 marks)**Q1 What is *Motor Vehicle fringe Benefit*?

- A. This is the free meals and refreshments provided by the employer to the employee
- B. This applies when a motor vehicle is provided by an employer to an employee which is at the employee's discretion.
- C. The employer pays salaries/wages to the household personnel for an executive employee
- D. Amount of the debt waived or written-off by the employer

Q2 What is *Meal or refreshment Benefit*?

- A. This is the free meals and refreshments provided by the employer to the employee
- B. This applies when a motor vehicle is provided by an employer to an employee which is at the employee's discretion.
- C. The employer pays salaries/wages to the household personnel for an executive employee
- D. Amount of the debt waived or written-off by the employer

Q3 What is *Debt waiver fringe benefit*?

- A. This is the free meals and refreshments provided by the employer to the employee
- B. This applies when a motor vehicle is provided by an employer to an employee which is at the employee's discretion.
- C. The employer pays salaries/wages to the household personnel for an executive employee
- D. Amount of the debt waived or written-off by the employer

Q4 What is *Household personnel fringe benefit*?

- A. This is the free meals and refreshments provided by the employer to the employee
- B. This applies when a motor vehicle is provided by an employer to an employee which is at the employee's discretion.
- C. The employer pays salaries/wages to the household personnel for an executive employee
- D. Amount of the debt waived or written-off by the employer

B. Short Answers

(4 marks)

1. Define the following terms:

Fringe Benefit : _____

Fringe Benefit Tax: _____

Service Turnover Tax; _____

2. Who should register for Service Turnover Tax?
