



# Taxation, Retail Investment and Pensions

## Mock Examination

*Recommended Time: 3 Hours*

1. Laura is aged 43 lives in London and in the tax year 2018/19 has taxable income of £105,000 which comprises salary and gross interest on savings. Calculate her tax liability for the year.

**10 marks**
2. Outline the types of taxable benefits in kind.

**10 marks**
3. In the tax year 2018/19, Bradley made capital gains of £45,000 of which £5,000 qualifies for entrepreneurs' relief. Bradley's chargeable income for income tax purposes, after deducting his personal allowance is £25,000. Set out how his capital gains tax liability would be calculated.

**10 marks**
4. You are a financial adviser and your firm is shortly to publish its quarterly newsletter during a period when the economy is in recession. Write an article for the newsletter outlining the characteristics of an economic recession. Your article should also make reference to the three other main stages involved in an economic cycle and their respective features.

**20 marks**
5. In the context of preparing a computation for inheritance tax purposes:
  - (a) Identify the questions which should be asked to establish whether a transfer is chargeable and if so, to determine the amount of inheritance tax payable.
  - (b) Outline the factors which need to be considered in respect of lifetime transfers.
  - (c) Outline the factors which need to be considered when an individual dies.

**20 marks**
6. Describe Payment Protection Insurance (PPI) and the advice to be followed when selling these policies issued by the FCA.

**10 marks**
7. Describe the various types of statutory benefits that might be provided to an employee by an employer.

**20 marks**