

Workbook – FA2021 For exams to March 2023

10/2021

Chapter 2 Activity 6 p45

Dividend income tax row: 26,900 (37,700 - 8,800 - 2,000) x 7.5% has been incorrectly rounded and should say 2,018 (not 2,017). Total income tax payable then becomes £10,923.

Chapter 2 Activity 11 p37

Please amend the dates in the question to:

On **1 May 2021** Caroline bought some 4% gilts from Jamie. They have a nominal value of £50,000 and pay interest on **31 March** and **30 September** each year. She paid £52,000 (including interest) on **1 May 2021** and sold them for £54,500 (including interest) on **31 December 2021** to Tyrone. How much is assessable on Caroline in the tax year 2021/22 in relation to these gilts?

The answer is: £1,333

	\$
Interest actually received 30.09.21 (1/2 x 4% x £50,000)	= 1,000
Less interest accrued to Jamie (April 2021 1/12 x 4% x £50,000)	= (167)
Add interest accrued up to sale (Oct 2021 - Dec 2021 3/12 x 4% x £50,000)	= <u>500</u>
Total	= 1,333

Sense check: Eight months' ownership, therefore 8/12 x 4% x £50,000 = £1,333

Chapter 4 Section 1 part (b) p63

Please delete the words 'car and':

Any contributions made on or before 6 July following the end of the tax year, to the employer by employees for benefits provided by their employers, are deductible from the taxable benefit, with the exception of ~~car and~~ fuel benefit.

FQP Q41 Kal p648

One of the figures is missing from the answer:

The taxable profits will be as follows.

		<i>Accounting date</i>	
		<i>31 March</i>	<i>30 April</i>
		£	£
2021/22	Actual basis (1 January 2022 to 5 April 2022)	2,400	
	$\pounds 3,200 \times 3/4$ (work to nearest month)		2,400
2022/23	Year to 31.3.23	15,600	
	First 12 months (1 January 2022 to 31 December 2022)		
	$\pounds 3,200 + \pounds 16,800 \times 8/12$		14,400
2023/24	Year to 31.3.24	24,000	
	Year to 30.4.23		16,800
2024/25	Year to 31.3.25	24,000	
	Year to 30.4.24		24,000
		<u>66,000</u>	<u>57,600</u>