

## 103 Principles of taxation

The general purpose of this module is to enable students to understand the impact and significance of taxation on both incorporated and unincorporated businesses and individuals. In the workplace students will impact on the accounts and finances of various businesses and, as such, should appreciate how those impacts will affect the eventual tax liability that will need to be paid.

By studying the basic tax rules and legislation that affect incorporated and unincorporated businesses, students will understand that decisions made one way will have tax implications, but decisions made another way will have none. This should ensure that students will be of benefit to the business when tax implications are of reliance.

Students will also examine how all sources of income for individuals, such as employment income, capital gains, income from land and property and investment income are covered. By studying these taxes students can appreciate the tax implications for their own personal situation and that of colleagues and clients.

### Intended module learning outcomes

On completion of this module, the student should be able to:

1. Explain the impact of legislation and legislative changes.
2. Discuss tax law and its implications for unincorporated and incorporated businesses and prepare the relevant pages of a tax return for businesses and accurately produce the computations to support this.
3. Demonstrate how to treat capital assets.
4. Discuss the legislation and procedures relating to personal tax including the current taxation principles of income from employment and the current taxation principles of savings, non-savings, property income, basic capital gains taxation and dividend income for an individual.
5. Prepare accurate computations and complete the relevant parts of self-assessment tax returns correctly.

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## Indicative content

1. Capital allowances.
2. Tax treatments of businesses and individuals.
3. Capital assets.
4. Sources of income.
5. Capital gains tax.
6. National Insurance.
7. Payment of tax and tax returns (including penalties).

## Required reading

Penning, A., Thomas, B. (2018)  
*Personal taxation tutorial.*  
Croydon: Osborne Books Ltd.

Penning, A., Thomas, B. (2018)  
*Business taxation tutorial.*  
Croydon: Osborne Books Ltd.

## Recommended reading

Kaplan Publishing (2018)  
*Personal tax (FA18), AAT study text.*  
Wokingham: Kaplan Publishing UK.

Kaplan Publishing (2018)  
*Business tax (FA18), AAT study text.*  
Wokingham: Kaplan Publishing UK.

## Scheme of work

Once you have registered and paid for a module you will receive the scheme of work detailing the weekly schedule study plan.

## Assessment

The learning outcomes for this module will be assessed as follows:

2<sup>1</sup>/<sub>2</sub> hours' time-constrained open-book test.

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