

302 Advanced taxation

This module assumes some basic knowledge of UK taxation and will enable students to develop their knowledge in this area to include the processes for calculating income tax, National Insurance contributions, capital gains tax, inheritance tax, taxation of trust, stamp taxes, corporation tax and value added tax (VAT) in a variety of scenarios.

By the end of the module it is expected that students will be able to critically discuss: the general objectives of tax; the influences upon the UK system of tax; and the different types of tax in the UK. Students will also recognise the ethical issues arising in the course of performing tax work and be able to identify the obligations the UK system of tax imposes on taxpayers and the implications for taxpayers of non-compliance.

Students will be able to apply the necessary skills to calculate the amounts of income tax owed by or owed to individuals and the amounts of National Insurance payable as well as being able to calculate the capital gains tax payable by individuals.

In preparation for their roles in business, students will be able to calculate the chargeable gains subject to corporation tax and the corporation tax liabilities of organisations. Finally, students will examine the methods for calculating the amount of VAT owed by or owed to businesses.

Intended module learning outcomes

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

1. Critically evaluate the general objectives of tax, the influences upon the UK system of tax and the different types of tax in the UK.
2. Assess ethical issues arising in the course of performing tax work and evaluate the obligations the UK system of tax imposes on taxpayers and the implications for taxpayers of non-compliance.
3. Calculate the adjusted profits, capital allowances, tax and National Insurance payable by individuals and partnerships.
4. Determine capital taxes payable and the chargeable gains subject to corporation tax.
5. Compute the corporation tax liabilities of companies.
6. Assess the amount of indirect tax payable by business entities and any penalties that could arise.

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Indicative content

1. A knowledge and understanding of the fundamental principles of the code of ethics affecting the professional accountant and tax practitioner and also the administration of tax.
2. Business entities and individuals and how they come within the scope of the taxes for income, capital taxes, National Insurance, VAT and corporation tax.
3. An understanding of the main sources of taxable and non-taxable income, allowances and tax payable.
4. An understanding of how to calculate adjusted trading profits, including capital allowances, for business entities, the badges of trade and influence of cases in law, legislation and regulations.

Required reading

ICAEW (2017) *Principles of taxation, study manual 2018*. 11th ed., London: ICAEW.

Penning, A., & Thomas, D. (2016) *Business tax*. Wokingham: Osborne Books.

Recommended reading

ICAEW (2017) *Business planning: taxation, study manual 2018*. 5th ed., London: ICAEW.

Lymer, A., & Oats, L. (2018) *Taxation policy and practice*. 25th ed., London: Fiscal Publications.

Melville, A. (2017) *Taxation*. Harlow: Pearson Education Limited.

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:

1¹/₂ hour's multiple choice test.

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