ACCA

Applied Skills

Taxation (TX-UK)
(Finance Act 2025)

EXAM KIT

For June 2026 to June 2027 examination sittings

KAPLAN PUBLISHING

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library.

Published by:
Kaplan Publishing UK
Unit 2 The Business Centre
Molly Millar's Lane
Wokingham
Berkshire
RG41 2QZ

ISBN: 978-1-83735-007-0

Printed and bound in Great Britain

Acknowledgements

The past ACCA examination questions are the copyright of the Association of Chartered Certified Accountants. The original answers to the questions from June 1994 onwards were produced by the examiners themselves and have been adapted by Kaplan Publishing.

CONTENTS

Key features in this edition

In addition to providing a wide ranging bank of real past exam questions, we have also included in this edition:

- An analysis of all of the recent examinations.
- Exam specific information and advice on exam technique.
- Our recommended approach to make your revision for this particular subject as effective as possible. This includes step by step guidance on how best to use our Kaplan material (study text, pocket notes and exam kit) at this stage in your studies.
- A wealth of past real examination questions adapted to the new examination style with enhanced tutorial answers and packed with specific key answer tips, technical tutorial notes and exam technique tips from our experienced tutors.
- Complementary online resources including full tutor debriefs and question assistance to point you in the right direction when you get stuck.

You will find a wealth of other resources to help you with your studies on the following sites:

www.mykaplan.co.uk

www.accaglobal.com/en/student.html

Quality and accuracy are of the utmost importance to us so if you spot an error in any of our products, please send an email to mykaplanreporting@kaplan.com with full details, or follow the link to the feedback form in MyKaplan.

Our Quality Coordinator will work with our technical team to verify the error and take action to ensure it is corrected in future editions.

INDEX TO QUESTIONS AND ANSWERS

INTRODUCTION

All TX exams have been computer-based exams (CBEs) from the June 2019 sitting, if you would like further information on sitting a CBE TX examination please contact either Kaplan or the ACCA.

As a result of changes to the TX exam format over time, many past exam questions in their original format are not representative of current TX examination questions. The questions contained in this exam kit are therefore based on past exam questions but it has been necessary to adapt some of them to ensure that they are representative of questions in the examinations. The adaptations have been made to reflect the new style of exam, new legislative changes in recent Finance Acts, Tax law changes and IFRS® Standards terminology. We have also included new topics brought into the syllabus in some questions.

Many of the questions within the kit are past ACCA exam questions, and the more recent questions (from 2005) are labelled as such in the index. Note that if a question within this kit has been adapted or changed in any way from the original version, this is indicated in the end column of the index below with the mark (A).

Also included are the marking schemes for past ACCA examination questions to assist you in understanding where marks are earned and the amount of time to spend on particular tasks. Note that if a question has been changed from the original version, it will have also been necessary to change the original ACCA marking scheme. Therefore, if a question is marked as 'ADAPTED' you should assume that this also applies to the marking scheme.

A number of questions included in the exam kit are referenced to two examination sittings e.g. March/June 2024. This is as a result of a change in policy made by the ACCA regarding the release of examination questions. Previously, examinations were released in their entirety. The ACCA now release a selection of questions from the March/June and September/December examinations. Therefore, questions referenced as such are taken from the sample released by the ACCA.

KEY TO THE INDEX

ANSWER ENHANCEMENTS

We have added the following enhancements to the answers in this exam kit:

Key answer tips

All section C answers include key answer tips to help your understanding of each question.

Tutorial note

Most answers include tutorial notes to explain some of the technical points in more detail.

Tutor's top tips

For selected questions, we 'walk through the answer' giving guidance on how to approach the questions with helpful 'tips from a top tutor', together with technical tutor notes.

These answers are indicated with the 'footsteps' icon in the index.

Within the questions in the exam kit you will see the following icons, shown in the section C question requirements:

= word processing

= spreadsheet

The icons highlighting the constructed response workspace tool alongside some of the questions are for guidance only – it is important to recognise that each question is different and that the answer space provided by ACCA in the exam is determined by both the technical content of the question as well as the quality assurance processes ACCA undertakes to ensure the student is provided with the most appropriate type of workspace.

ONLINE ENHANCEMENTS

Answer debrief

For selected questions, we recommend that they are to be completed in full exam conditions (i.e. properly timed in a closed book environment).

In addition to the examining team's technical answer, enhanced with key answer tips and tutorial notes in this exam kit, online you can find an answer debrief by a top tutor that:

- works through the question in full
- explains key elements of the answer, and
- ensures that the easy marks are obtained as quickly as possible.

These questions are indicated with the 'video' icon in the index.

Answer debriefs will be available on MyKaplan at:

www.mykaplan.co.uk

PRACTICE INCOME TAX AND NATIONAL INSURANCE QUESTIONS

PRACTICE CHARGEABLE GAINS QUESTIONS

PRACTICE INHERITANCE TAX QUESTIONS

PRACTICE CORPORATION TAX QUESTIONS

PRACTICE VALUE ADDED TAX QUESTIONS

ANALYSIS OF PAST EXAMS

The table below summarises the key topics that have been tested in recent exams.

Key:

Q The question references are to the number of the question in this edition of the exam kit.

✓ Refers to questions which have not been included in the kit due to similarity to other recent questions.

	Mar/Jun 2021	Sep/Dec 2021	Mar/Jun 2022	Sep/Dec 2022	June 2023	Sep/Dec 2023	Mar/Jun 2024	Sep/Dec 2024
Principles of taxation/Ethics								
Tax avoidance vs evasion		Q115						
Income tax								
Basic income tax computation	Q112 Q117	Q115 Q123	Q99 Q111	✓	Q100	Q103 Q106	Q107 Q110	Q101
Savings income			Q99	✓				Q212
Dividend income	Q112		Q111	✓	Q100	Q103 Q106	Q107	Q101 Q212
Child benefit tax charge		Q123						
Reduction of PA	Q112		Q111					
Property income	Q117							Q101
Exempt income							Q110	
Residence								
Qualifying interest								
Gift aid		Q123				Q103		
Employed individual								
Salary and bonus	Q112 Q117	Q115	Q99 Q111	✓	Q100 Q116	Q103 Q106 Q268	Q107 Q110	Q101
Exempt benefits	Q117		Q99	✓	Q116			Q101
Car and fuel benefit	Q117		Q99	✓		Q103 Q106		
Living accommodation	Q117	Q123			Q116			Q101
Beneficial loan					Q116			Q101
Use/gift of assets			Q99				Q110	
Mileage allowance				✓	Q116	Q103 Q106	Q110	
Professional subscriptions				✓				
PAYE system			Q99	✓			Q110	

	Mar/Jun 2021	Sep/Dec 2021	Mar/Jun 2022	Sep/Dec 2022	June 2023	Sep/Dec 2023	Mar/Jun 2024	Sep/Dec 2024
Self-employed individual								
Adjustment to profits	Q117	Q115			Q116		Q110	
Capital allowances	Q117	Q115	Q99		Q116		Q110	
Basis of assessment rules								
Partnerships – allocation		Q123	Q99					
Tax planning	Q112	Q115 Q123	Q111					Q212
Pensions								
Pension income								
Occupational pension					Q100	Q103	Q107 Q110	
Personal pension contributions	✓					Q106		
Income tax losses								
Relief against income		Q123	Q99					
National Insurance contributions								
Class 1	Q112	Q113 Q115	Q111	✓	Q100	Q106	Q107	
Class 4	Q112	Q115	Q111					
Capital gains								
Basic CGT computation	Q165			Q169				Q212
Part disposals	Q165							
Wasting assets	Q165							
Shares	Q165			Q169				
Husband and wife				Q169				
Capital losses				Q169				
Reliefs								
BADR	Q165			Q169				
Private residence relief	Q165							
Letting relief								
Rollover relief		Q174				Q270	Q172	
Gift holdover relief				Q169				
Self-assessment – individual								
Interest and penalties			Q99					

	Mar/Jun 2021	Sep/Dec 2021	Mar/Jun 2022	Sep/Dec 2022	June 2023	Sep/Dec 2023	Mar/Jun 2024	Sep/Dec 2024
Inheritance tax								
IHT payable calculations			Q208			Q209		Q212
PETs			Q208			Q209		
CLTs			Q208			Q209		Q212
Exemptions			Q208					
Transfer of value			Q208					Q212
Estate computation						Q209		
Administration			Q208			Q209		
Transfer of NRB/RNRB						Q209		
Residence nil rate band						Q209		
Planning								
Corporation tax								
Accounting periods							Q257	
Adjustment to profits	Q265	✓		Q264	Q258	Q270	Q257	Q262
Capital allowances	Q265		Q253		Q258		Q257	Q262
Lease premiums					Q258	Q270		
Basic TTP computation	Q265	✓			Q258	Q270	Q107/ Q257	Q262
Property income			Q253	Q264		Q270	Q257	
Interest income		Q174			Q258		Q257	
Chargeable gains	Q265	Q174		Q264	Q258	Q270	Q172 Q257	Q262
Qualifying donations	Q265			Q264	Q258	Q270	Q257	Q262
Corporation tax liability	Q265 Q112		Q111	Q264	Q100 Q258	Q106	Q107	
Corporation tax losses								
Capital losses	Q265	Q174				Q270	Q172	
Trading losses	Q265			Q264		Q270		Q262
Property losses	Q265					Q270		
Groups								
Group relief					Q258	Q270		
Gains groups		Q174						

	Mar/Jun 2021	Sep/Dec 2021	Mar/Jun 2022	Sep/Dec 2022	June 2023	Sep/Dec 2023	Mar/Jun 2024	Sep/Dec 2024
Self-assessment – companies								
Quarterly instalments			Q253					
Claim dates				Q264				
Value added tax								
Registration/ deregistration					Q303			
Tax point		Q302						
Output VAT					Q303			Q301
Input VAT recovery					Q303			Q301
Impairment losses		Q302						
Cessation of trade/TOGC					Q303			
Penalties		Q302						
Special schemes		Q302						Q301
Overseas aspects		Q302						

EXAM TECHNIQUE

GENERAL COMMENTS

- We recommend that you always read the questions and examination requirements carefully.
- **Divide the time** you spend on questions in proportion to the marks on offer:
  - one suggestion for this examination is to allocate 1.8 minutes to each mark available (180 minutes/100 marks), so a 10 mark question should be completed in approximately 18 minutes.
  - within that, try to allow time at the start to read the question and plan your answer (see P.24 below) and at the end of each question to review your answer and address any obvious issues.
- If you **get completely stuck** with a question:
  - flag the question in the CBE software and **return to it later**.
- Spend the last **five minutes** of the examination:
  - reading through your answers, and
  - **making any additions or corrections**.

SECTION A OBJECTIVE TEST QUESTIONS

- Decide whether you want to attempt these at the start of the examination or at the end.
- Stick to the timing principle of 1.8 minutes per mark. This means that the 15 OT questions in section A (30 marks) should take 54 minutes.
- No credit for workings will be given in these questions; the answers will either be correct (2 marks) or incorrect (0 marks).
- It is still important to carry out full workings for numerical questions. For centre based exams these can be done on scrap paper or using the on-screen scratchpad. For remote invigilated exams you will not be able to use scrap paper, but will have to use the scratchpad. It is therefore essential to practice using this functionality prior to your exam. The ACCA practice platform can be used to familiarise yourself with using this function.
- Work steadily. Rushing leads to careless mistakes and questions are designed to include answers that result from careless mistakes.
- If you don't know the answer, eliminate those options you know are incorrect and see if the answer becomes more obvious.
- Remember that there is no negative marking for an incorrect answer. After you have eliminated the options that you know to be wrong, if you are still unsure, guess.

SECTION B OT CASE QUESTIONS

- There is likely to be a significant amount of information to read through for each case. You should begin by reading the OT questions that relate to the case, so that when you read through the information for the first time, you know what it is that you are required to do.
- Each OT question is worth two marks. Therefore, you have 18 minutes (1.8 minutes per mark) to answer the five OT questions relating to each case. It is likely that all of the cases will take the same length of time to answer, although some of the OT questions within a case may be quicker than other OT questions within that same case.
- Once you have read through the information, you should first answer any of the OT questions that do not require workings and can be quickly answered. You should then attempt the OT questions that require workings utilising the remaining time for that case.
- All of the tips for section A are equally applicable to each section B question.

SECTION C CONSTRUCTED RESPONSE (LONG) QUESTIONS

- The constructed response questions in section C will require a written response rather than being OT questions. Therefore, different techniques need to be used to score well.
- Unless you know exactly how to answer the question, spend some time planning your answer. Stick to the question and tailor your answer to what you are asked. Pay particular attention to the verbs in the question e.g. 'Calculate', 'State', 'Explain'.
- If you do not understand what a question is asking, state your assumptions. Even if you do not answer in precisely the way the examining team hoped, you should be given some credit if your assumptions are reasonable.
- You should do everything you can to make things easy for the marker. Your answer should:
  - have a clear structure
  - be concise.

  It is better to write a little about a lot of different points than a great deal about one or two points.
- **Section C Computations:**
  - It is essential to include all your workings in your answers. Many computational questions require the use of a standard format e.g. income tax computations, corporation tax computations and capital gains.
  - Be sure you know these formats thoroughly before the examination and use the layouts that you see in the answers given in this book and in model answers.
  - Adopt a logical approach and cross reference workings to the main computation to enable the marker to find them easily. Do not leave a large gap between your answer and the workings.
  - You will be presented with a blank spreadsheet. A number of standard spreadsheet functions are available via the menu and tool bar for you to use when responding to the question. It is important to practise answering questions using the CBE software and to familiarise yourself with the CBE functionality, particularly the spreadsheet functions.
- **Section C Reports, memos and other documents:**
  - Some questions ask you to present your answer in the form of a report, a memo, a letter or other document. Make sure you have practiced these styles of writing before the real exam.

ADDITIONAL TIPS

- Do not attempt a CBE until you have completed all study material relating to it.
- On the ACCA website there is a CBE demonstration. It is ESSENTIAL that you attempt this before your real CBE. You will become familiar with how to move around the CBE screens and the way that questions are formatted, increasing your confidence and speed in the actual examination.
- There is an additional constructed response (CR) workspace on the ACCA website which you can use to practice questions from this exam kit in a CBE environment.
- Be sure you understand how to use the software before you start the examination. If in doubt, ask the assessment centre staff to explain it to you.
- Questions are displayed on the screen and answers are entered using keyboard and mouse.
- In addition to multiple choice type questions, CBEs will also contain other types of questions. You need to be sure you know how to answer questions of these types before you sit the examination, through practice. The types of objective test questions you could see in your CBE are as follows:

Question type	**Description**	**Example exam kit question**
Multiple choice	Select one correct answer from a choice of four	3 or 4
Multiple response	Select a given number of correct answers	33
Fill in the blank	Input a numerical answer	14
Drag and drop	Match chosen answer to chosen areas of the screen	145
Drop down list	Select one correct answer from a drop down list	155
Hot area	Select one or more areas in an image as a correct answer (e.g. true or false)	1

EXAM SPECIFIC INFORMATION

THE EXAM

FORMAT OF THE EXAM

The exam will be in **THREE sections**, and will be predominantly computational.

Section A will consist of 15 objective test questions, each worth 2 marks.

Section B will consist of three 10 mark questions which each comprise five objective test questions of 2 marks each.

Section C will consist of one 10 mark question and two 15 mark questions.

All questions are compulsory.

		Number of marks
Section A:	15 objective test questions of 2 marks each	30
Section B:	Three 10 mark questions covering any area of the syllabus	30
Section C:	One 10 mark question covering any area of the syllabus	10
	Two 15 mark questions, one focusing on income tax and one on corporation tax	30
Total		100

The **CBE** will be **3 hours** long and students will have up to 10 minutes to familiarise themselves with the CBE system before starting the exam.

Note that:

- Section A and section B questions can be drawn from any area of the syllabus.
- The two 15 mark section C questions could include a small number of marks in respect of other taxes.
- There is no set order for the section C questions. In the specimen exam the 10 mark question appeared before the 15 mark questions, but the examining team could change the order.

PASS MARK

The pass mark for all ACCA Qualification examinations is 50%.

Remote invigilated exams

In certain geographical areas it may be possible for you to take your exam remotely. This option, which is subject to strict conditions, can offer increased flexibility and convenience under certain circumstances. Further guidance, including the detailed requirements and conditions for taking the exam by this method, is contained on ACCA's website at:

https://www.accaglobal.com/an/en/student/exam-entry-and-administration/about-our-exams/remote-exams/remote-session-exams.html

SUGGESTED APPROACH TO THIS EXAM

Decide in advance whether you will attempt section A, B or C first so that you are not wasting time on this decision in the real examination.

- This is a personal choice and you have time on the revision phase to try out different approaches, for example, if you sit mock examinations.
- A common approach is to tackle the short section A questions first, so they are out of the way, then section B and finally the longer constructed response questions in section C.
- Others may prefer to tackle the longer section B and C questions first, as they will take longer than the individual questions in section A.

You should complete at least one mock examination under examination conditions to try out your chosen approach in advance.

Whatever your approach though, you must make sure that you leave enough time to attempt all questions fully and be very strict with yourself in timing each question.

READING AND PLANNING

Reading and planning are crucial elements of your examination technique and it is important that you allocate time in the examination to this. Spend time reading the questions carefully, particularly in sections B and C, where questions will be based on longer scenarios than the two mark OTs in section A.

Whatever happens, always keep your eye on the clock and do not over run on any part of any question!

As all questions are compulsory, there are no decisions to be made about choice of questions, other than in which order you would like to tackle them.

Therefore, in relation to TX we recommend that you take the following approach to planning your answers:

- **Note down the amount of time you should spend on each part of each question**.
- **Decide the order** in which you think you will attempt each question in sections B and C:

  A common approach is to tackle the question you think is the easiest and you are most comfortable with first.

  Others may prefer to tackle the longest questions first, or conversely leave them to the last.

  It is usual however for students to tackle their least favourite topic and/or the most difficult question in their opinion last.

  Whatever your approach, you must make sure that you leave enough time to attempt all questions fully and be very strict with yourself in timing each question.

- **For each section C question** in turn, read the requirements and then the detail of the question carefully.

  Always read the requirement first as this enables you to **focus on the detail of the question with the specific task in mind**.

  For section C computational questions:

  Note key numbers/information and key words in the question, scribble notes to yourself to remember key points in your answer.

  Jot down pro formas required if applicable.

  For section C written questions:

  Take notice of the format required (e.g. letter, memo, notes) and identify the recipient of the answer. You need to do this to judge the level of financial sophistication required in your answer and whether the use of a formal reply or informal bullet points would be satisfactory.

  Pay particular attention to the verbs in the question e.g. 'Calculate', 'State', 'Explain'.

  Plan your beginning, middle and end and the key areas to be addressed and your use of titles and sub-titles to enhance your answer.

  For all section C questions:

  Spot the easy marks to be gained in a question and parts which can be performed independently of the rest of the question. For example, writing down due dates of payment of tax, due dates for making elections, laying out basic pro formas correctly.

  Make sure that you do these parts first when you tackle the question.

- As mentioned in the 'Exam Technique' section earlier, you should decide in advance of the real examination whether to attempt section A, B or C first.

Always keep your eye on the clock and do not over run on any part of any question!

DETAILED SYLLABUS

The detailed syllabus and study guide written by the ACCA can be found at:

www.accaglobal.com/en/student.html

KAPLAN'S RECOMMENDED REVISION APPROACH

QUESTION PRACTICE IS THE KEY TO SUCCESS

Success in professional examinations relies upon you acquiring a firm grasp of the required knowledge at the tuition phase. In order to be able to do the questions, knowledge is essential.

However, the difference between success and failure often hinges on your examination technique on the day and making the most of the revision phase of your studies.

The **Kaplan study text** is the starting point, designed to provide the underpinning knowledge to tackle all questions. However, in the revision phase, pouring over textbooks is not the answer.

Kaplan Online knowledge checks help you consolidate your knowledge and understanding and are a useful tool to check whether you can remember key topic areas.

Kaplan pocket notes are designed to help you quickly revise a topic area, however you then need to practice questions. There is a need to progress to full examination standard questions as soon as possible, and to tie your examination technique and technical knowledge together.

The ACCA practice platform (https://cbept.accaglobal.com) should be used to practice questions in the same CBE layout as the real exam. The specimen exam and two past exams can be accessed on the platform and these will be updated to Finance Act 2025. A mock exam is also released shortly before the real exam. This allows you to practice questions with the real exam format and functionality, and to get accustomed to the tools you will need to use to present your answers well. Your responses to these questions will be saved, sections A and B will be marked automatically and you can self-mark section C using marking guides and sample answers. It is recommended to practice as many questions as possible on the platform to familiarise yourself with how the software works.

The importance of question practice cannot be over-emphasised.

The recommended approach below is designed by expert tutors in the field, in conjunction with their knowledge of the examining team and the recent real examinations.

The approach taken for the Applied Skills Level exams is to revise by topic area. **You need to practice as many questions as possible in the time you have left.**

OUR AIM

Our aim is to get you to the stage where you can attempt examination standard questions confidently, to time, in a closed book environment, with no supplementary help (i.e. to simulate the real examination experience).

Practising your examination technique on real past examination questions, in timed conditions, is also vitally important for you to assess your progress and identify areas of weakness that may need more attention in the final run up to the examination.

In order to achieve this, we recognise that initially you may feel the need to practice some questions with open book help and exceed the required time.

The approach below shows you which questions you should use to build up to coping with examination standard question practice, and references to the sources of information available should you need to revisit a topic area in more detail.

Remember that in the real examination, all you have to do is:

- attempt all questions required by the examination
- only spend the allotted time on each question, and
- get them at least 50% right!

Try and practice this approach on every question you attempt from now to the real examination.

EXAMINER COMMENTS

We have included the examining team's comments to the examination questions in this kit for you to see the main pitfalls that students fall into with regard to technical content.

However, too many times in the general section of the report, the examining team comment that students had failed due to:

- 'misallocation of time'
- 'running out of time' and
- showing signs of 'spending too much time on an earlier question and clearly rushing the answer to a subsequent question'.

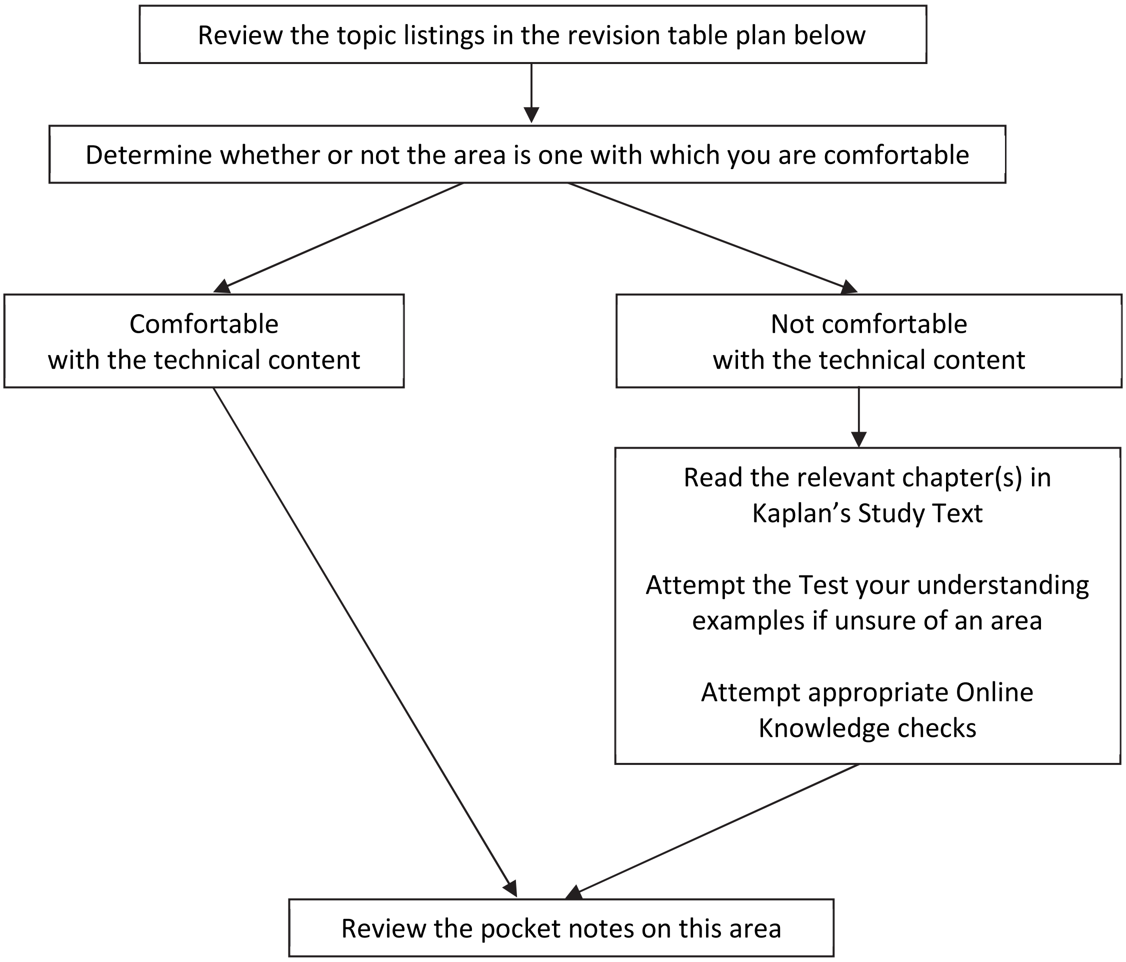
Good examination technique is vital.

ACCA SUPPORT

For additional support with your studies please also refer to the ACCA Global website.

KAPLAN'S TX EXAMINATION REVISION PLAN

Stage 1: Assess areas of strengths and weaknesses



Stage 2: Practise questions

Follow the order of revision of topics as recommended in the revision table plan below and attempt the questions in the order suggested. Note that although the plan is organised into different subject areas, the real examination questions will cover more than one topic, and therefore some parts of the examination questions set below will be on topics covered later in the revision plan.

For each topic listed below you must also practice a selection of objective test questions covering that topic. Do bear in mind that some of the questions in this kit will take longer than 3.6 minutes each.

Try to avoid referring to textbooks and notes and the model answer until you have completed your attempt.

Try to answer the question in the allotted time.

Review your attempt with the model answer and assess how much of the answer you achieved in the allocated examination time.

Fill in the self-assessment box below and decide on your best course of action.

Comfortable with question attempt

Only revisit when comfortable with questions on all topic areas

Not comfortable with question attempts

Focus on these areas by:

- Reworking test your understanding examples in Kaplan's Study Text
- Revisiting the technical content from Kaplan's pocket notes
- Working any remaining questions on that area in the exam kit
- Reattempting an examination standard question in that area, on a timed, closed book basis

Note that:

The 'footsteps questions' give guidance on exam techniques and how you should have approached the question.

The 'answer debrief' questions have an online debrief where a top tutor works through the question in full, explains key elements of the answer and how to gain marks.

Stage 3: Final pre-examination revision

We recommend that you **attempt at least one full mock examination** containing a set of previously unseen examination standard questions.

It is important that you get a feel for the breadth of coverage of a real examination without advanced knowledge of the topic areas covered – just as you will expect to see on the real examination day.

Ideally this mock should be sat in timed, closed book, real examination conditions and could be:

- a mock examination offered by your tuition provider and/or
- the specimen exam in the back of this exam kit and/or
- the last released examination (available shortly afterwards on MyKaplan and updated to the relevant Finance Act, if necessary).