



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING, BANKING AND FINANCE

FIRST YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN ACCOUNTANCY

TAXATION

DATE: 22/11/2019

TIME: 11.30-1.30 PM

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## INSTRUCTIONS:

Answer all the questions

1. a) Define the term tax (2 marks)
- b) Explain the meaning of residence in relation to taxation (2 marks)
- c) State and explain 3 types of income in relation to Kenyan tax law. (6 marks)
2. State and explain five sources of Government revenue. (10 marks)
3. Highlight various reasons why government levy taxes. (10 marks)
4. What are the aims of a good tax system? (10 marks)
5. Adam Smith laid down the principles of taxation. State and explain any five(5) principles of taxation. (10 marks)
6. What are the key/main classification of taxes. (10 marks)
7. State and explain briefly five advantages of taxes. (10 marks)