

# Personal Tax

## FA2021

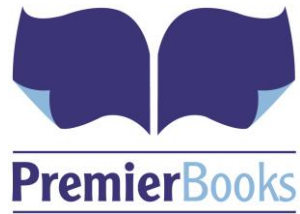
Suitable for  
the  
AAT Accounting Qualification in  
Personal Tax

### Revision Kit

Alan Dawson, B.Ed (Hons), MAAT

To get the latest updates for this book, please scan the code below with the camera app on your phone or tablet.





**Copyright © Premier Books Ltd July 2022. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the publisher.**

**Whilst every care has been taken in the accuracy of the compilation of these course notes the text is for training purposes only. No responsibility for loss occasioned to any person acting or refraining from acting as a result of any material in this publication can be accepted by the publishers and arrangers of the course.**

**Published on:**

**18-11-22**

**Published by:**

**Premier Books Ltd**

**Greenwich House**

**Eastfield Road**

**South Killingholme**

**North Lincolnshire**

**DN40 3DQ**

**Telephone 01469 515444**

## Contents

Introduction	v
Chapter 1      The Tax System	1
Chapter 2      Income from Employment	5
Chapter 3      Income from Property	21
Chapter 4      Income from Savings and Investments	27
Chapter 5      The Tax Calculation	31
Chapter 6      National Insurance	37
Chapter 7      Chargeable Gains	41
Chapter 8      Inheritance Tax	57
Practice Assessment 1	63
Practice Assessment 2	85
Answers to Practice Questions	105
Answers to Practice Assessment 1	161
Answers to Practice Assessment 2	181

## **The Author**



**Alan Dawson**

Certificate of Education

Bachelor of Education (Hons)

Member of the Association of Accounting Technicians

Qualified Teacher and Assessor

Alan is a qualified teacher. He gained his honours degree in education from Nottingham University and he went on to teach Mathematics, Modern Languages and Music in schools for 18 years.

He then turned his attention to accountancy, qualifying from the AAT and taking up various accounting roles both in private practice and industry. He spent 6 years in a large company in management accounts while at the same time taking private clients for help with bookkeeping, payroll, VAT and taxation.

Since March 2006 he has been a tutor at Premier Training, with over 300 students worldwide under his guidance at one time or another.

## **About this Book**

**T**his Revision Kit is designed to be used alongside the Personal Tax Study Manual and is ideal for students to use in the classroom, at home or on distance learning courses.

Each chapter contains exercises which are designed to supplement the activities in the Study Manual. Some of them are more extensive than those in the Study Manual and are ideal for students preparing for the examinations. Each chapter matches the topics in the Study Manual and can be attempted once the relevant chapter has been read. However, students should follow the chapters in order as some questions require the knowledge gained in previous chapters.

There are two practice examination papers at the end of the book. These should not be attempted until all the chapters have been read and understood. They are ideal preparation for the actual examination and should be attempted in the few weeks approaching the examination sitting date.

The answers to the Revision Kit questions and the practice examinations are given at the end of the book.

**Premier Training** students have online access to many extra resources which provides many further explanations and demonstrations of these and other topics. Visit [www.premiertraining.co.uk](http://www.premiertraining.co.uk) or telephone 01469 515444.

**Chapter 1**  
**The Tax System**  
**Practice Questions**

**1.1**

Which of these are included in the AAT Personal Tax Syllabus?

√	
Income Tax	
Corporation Tax	
Capital Gains Tax	
Value Added Tax	
Inheritance Tax	

**1.2**

The decision made by a tax tribunal is called what?

√	
Statement of Practice	
Extra-statutory concession	
Statutory Instrument	
Case Law	

CHAPTER 1  
The Tax System

**1.3**

Between which dates does the tax year 2021-22 run?

√	
1 <sup>st</sup> January 2021 – 31 <sup>st</sup> December 2021	
1 <sup>st</sup> April 2021 – 31 <sup>st</sup> March 2022	
5 <sup>th</sup> April 2021 – 6 <sup>th</sup> April 2022	
1 <sup>st</sup> January 2022 – 31 <sup>st</sup> December 2022	
6 <sup>th</sup> April 2021 – 5 <sup>th</sup> April 2022	

**1.4**

Which Finance Act must be applied to the fiscal year 2021-22?

√	
Finance Act 2020	
Finance Act 2021	
Finance Act 2022	
Finance Act 2021-22	
Finance Act 2020-21	

CHAPTER 1  
The Tax System

1.5

Which of these provide information on HMRC's interpretation of the law and how they intend to apply it?

√	
Statement of Practice	
Statutory Concession	
Revenue and Customs Brief	
Explanatory Leaflet	
Statutory Instrument	



**This page is for your notes**

## Chapter 2

### Income from Employment

#### Practice Questions

#### 2.1

Which of the following may be considered an advantage of being self-employed?

v	
Greater security in event of illness	
Ability to reclaim expenses incurred in running the business	
The right to receive paid holidays	
A guaranteed wage or salary	
Higher National Insurance contributions	

#### 2.2

Which of these is a key indicator of employment?

v	
A contract of service	
A contract for service	