

## Study Text

November 2016 Edition

For exams in June 2017, September 2017, December 2017 and March 2018

Updated: 25 November 2016

Page	Details																								
478	<p>In answer to Question 171 Ongoing Ltd replace computation with following:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 10%; text-align: right;">£</th> <th style="width: 10%; text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td><i>Output tax</i></td> <td></td> <td></td> </tr> <tr> <td><math>\text{£}[(120,000 \times 50\% \times 95\%) + (120,000 \times 50\%)] = 117,000 \times 20\%</math> (note 1, note 4)</td> <td></td> <td style="text-align: right;">23,400</td> </tr> <tr> <td><i>Input tax</i></td> <td></td> <td></td> </tr> <tr> <td><math>\text{£}(35,640 - 480) = 35,160 \times 20\%</math> (note 2)</td> <td style="text-align: right;">7,032</td> <td></td> </tr> <tr> <td><math>\text{£}2,100 \times 20\%</math> (note 3)</td> <td style="text-align: right;">420</td> <td></td> </tr> <tr> <td><math>\text{£}21,150 \times 1/6</math> (note 4)</td> <td style="text-align: right;"><u>3,525</u></td> <td style="text-align: right;"><u>(10,977)</u></td> </tr> <tr> <td>VAT payable for quarter ending 30 April 2016</td> <td></td> <td style="text-align: right;"><u><u>12,423</u></u></td> </tr> </tbody> </table>		£	£	<i>Output tax</i>			$\text{£}[(120,000 \times 50\% \times 95\%) + (120,000 \times 50\%)] = 117,000 \times 20\%$ (note 1, note 4)		23,400	<i>Input tax</i>			$\text{£}(35,640 - 480) = 35,160 \times 20\%$ (note 2)	7,032		$\text{£}2,100 \times 20\%$ (note 3)	420		$\text{£}21,150 \times 1/6$ (note 4)	<u>3,525</u>	<u>(10,977)</u>	VAT payable for quarter ending 30 April 2016		<u><u>12,423</u></u>
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479	In Note 3, delete second and third sentences.																								