



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**FACULTY OF LAW**  
**DEPARTMENT OF PUBLIC LAW**  
**2021\_2 EXAMINATION QUESTIONS.**

**COURSE CODE:** PUL434  
**COURSE TITLE:** LAW OF TAXATION II  
**CREDIT UNIT:** 4  
**TIME ALLOWED:** 3HOURS

**Instruction:** ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS (15 MARKS) EXCEPT QUESTION 1 WHICH CARRIES 25 MARKS.

**QUESTIONS:**

1. Mr. *Wahala* is a prosperous businessman who trades on foreign tile in *Shokomu* town. He had been studying some books on tax law as he always felt cheated each time he was being taxed every year. Mr. *Wahala* is a no nonsense man, highly principled and strict to the core. This situation often generated misunderstanding between him and people and earned him the name Mr. *Wahala* among the neighbourhood. The tax agents had come to assess his business for the 2020 tax year but when Mr. *Wahala* learnt that the tax agents represent Burundu State, he began to protest, arguing that they have no rights or power to tax him. Mr. *Wahala* quoted the following lines which he learnt from his Taxation Law text book, '*Nigerian Tax issue and law are purely statutory; therefore, it would be incongruous for any tier to seek to impose any form of tax on subjects, be it person or property, beyond its legislative competence. The Nigerian tax system originated from law and any tax levied on the people must be backed by law.*' With this knowledge, Mr. *Wahala* vehemently protested that it is not within the powers of States to impose and collect tax and so, agents of Burundu State have no rights whatsoever to assess his business for the purpose of tax collection. Carefully analyse the position of Mr. **Wahala** and give your advice. =25Marks
2. (a) With the aid of diagram/graph explain, the term 'Proportional Tax System'. =15Marks
3. (a) Discuss the tax treatment of children. =5Marks  
(b) Explain how the issue of capacity and poor working incentive operates as a problem of taxation in Nigeria and how it can be solved =5Marks

(c) List any five items exempted from Stamp Duties. =**5Marks**

4. The Nigerian income tax laws prescribed various legal instruments to enforce tax, such as distress, tax clearance certificate system, search and seizure etc. However, despite all these efforts geared towards tax compliance, the Nigerian tax system is still fraught with various problems which constitute barriers to the actualization of the aims and objectives of the Nigerian tax system.

With the above understanding, identify the major problem of taxation in Nigeria and examine the solutions thereto. =**15Marks**

5. Briefly analyse the advantages of Stamp Adjudication and state its effect on an instrument not duly stamped. =**15Marks**

- 6 (a) State any five reasons why you think the imposition of excise duties is necessary. =**10Marks**

- (b) Briefly explain the term 'Tax Exemption' and differentiate same from 'Tax relief'. =**5Marks**