



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF LAW, DEPARTMENT OF PUBLIC LAW
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
2022_2 POP EXAMINATION

COURSE CODE: PUL433
COURSE TITLE: LAW OF TAXATION I
CREDIT UNIT: 4
TIME ALLOWED: 3 HOURS

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

1. Eze and Ayodele, are two close friends and business partners. The duo, have been seriously opposed to the concept of taxation. The two friends have on various occasions stood and argued against the idea of taxing the citizens, arguing that such is not different from extortion. Their position is that, tax has no benefits whatsoever to the populace, because the revenue therefrom, is never meant to better the lot of the masses but only to enrich the political class. Based on their overt aversion for tax, both Eze and Ayodele see tax agents as avowed enemies. Ayodele in particular, has avoided them at all cost. The two friends, have made no efforts to pay, but rather ignored every effort of tax authority, to assess their businesses.

1. Advise the two friends on the importance of taxation and the reason(s) for the introduction of taxation system in the society. =15Marks

(b) Briefly explain the steps taken in the assessment and computation of the Statutory Total Income for individuals on employment and individual businessperson. =10Marks

2. (a) With the help of relevant law, define the term ‘deduction allowable.’ =5Marks

(b) List two types of income as it relates to taxation law. =5Marks

(c) Briefly explain the term ‘Assessable Person.’ =5Marks

3. Every tax system must have certain, peculiar nature and characteristics as identifying criteria used to qualify it as an ideal tax. With this understanding, state and briefly explain any five ingredients/features of an ideal tax. =15Marks

4. In not more than three concise and clear paragraphs, discuss the history of taxation in post-colonial Nigeria. =**15Marks**

5. State and carefully explain the two major categories of tax. =**15Marks**

- 6.(a) Briefly define Statutory Total Income or Total Assessable Income. =**4Marks**
 - (b) Mention the two components of any taxation system of a given society. =**5Marks**
 - (c) State any three objectives of deduction allowance in taxation law. =**6Marks**