



**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: PUL434
COURSE TITLE: LAW OF TAXATION II
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. Afamefuna and Modupe were classmates and longtime friends before their university days. They both graduated with good grades and as seasoned engineers, are both established and running their own firms. 'Efuna' and 'Dupe' as they are fondly called, are smart guys and they had of recent, realized that the cost of things has gone out of hand. They have come to a conclusion that the only way to sustain their families in these trying times, is to readjust the amount of tax they pay. Although, they are not in doubt of the immense benefit of tax to a modern society like ours, their quarrel is that, the government has failed and come short of their expectation. Consequently, 'Efuna' hired an expert in taxation who guided him on the right and best way to pay only the least amount of tax payable. Meanwhile, 'Dupe' in rage, has decided to snub tax agents and all their efforts for proper assessment and taxation of his business, but resorted to disclosing the transaction of only one section of his company while concealing others.

Identify, comparatively and comprehensively discuss the positions taken by Afamefuna and Modupe in the above narration in relation to law of taxation. =25Marks

2. Two approaches are adopted in tackling taxation problems in Nigeria. This can either be statutory or other general means. In the light of the above, roundly discuss the statutory solution to taxation problems in Nigeria as contained in our tax laws. =15Marks
3. Using a diagram/graph, explain the term 'Regressive Tax System', stating at least two major disadvantages of this system. =15Marks

4. (a) State and briefly explain any five advantages of proportional tax system you know. **=10Marks**
- (b) Define these terms:
- (i) 'Double Taxation'=**3Marks**
- (ii) 'Duty'=**2Marks**
5. (a) State at least five reasons why you think Nigerians will continue to avoid tax until proper steps are taken. **=5Marks**
- (b) Supply five reasons why you believe the imposition of excise duties is necessary. **=10Marks**
6. (a) In clear terms, show the difference between **Proportional tax system** and **Regressive Tax System**. Identify any two advantages of each of the two tax systems. **=8Marks**
- (b) As lawyer, your government needs your advice with respect to two tax systems in question 3(a) above and the one it should adopt. **=7Marks**