

Legal Profession Admission Board

March 2024

Taxation and Revenue Law

Examiner's comments

General observations:

1. Forty-seven students sat the examination. Eight students received a pass with merit (17%), 33 students a pass (70%) and 6 students failed.
2. The failure rate was around the level of previous terms and generally involved students not providing any answer to some or, in one case any, of the questions. Overall, the standard of the answers was not as high as previous terms and no examination paper was sufficient to be awarded a distinction (taking into account the assignment mark).
3. As the examination was a confidential examination the comments that are provided are of a general nature only.

Questions:

4. There were four questions, and all were compulsory.
5. The first question covered several topics including personal services (ss.6-5, 15-2 and FBT) and deemed dividends (Division 7A). A number of students answered the personal services issues poorly. This was disappointing as similar issues had been raised in the assignment question and those same issues had been discussed with students after the marking and return of the assignment question.
6. The second question involved a table of receipts and outgoings and required the students to calculate taxable income, the tax payable and entries to the franking account. Some students struggled with this question. Again, this was disappointing as a similar type of question had been considered at the second weekend school and yet some students did not seem to know how to approach the problem.
7. The third question involved the taxation of trusts. Generally, students answered this question well albeit some students did not adopt a logical approach in dealing with each issue raised. This is despite an example question and outline of an answer being included in their notes on the LEC Canvas website.

8. The fourth question involved a situation where the Commissioner had disallowed certain deductions and issued an amended assessment. Students were asked to consider whether the deductions should have been allowed and to comment on the review and appeal procedures, and time limits. Students often did not read the question closely. The question raised similar facts as considered in previous legal cases but with the facts slightly changed to alter the conclusion. Students invariably just adopted the conclusion reached in the legal cases without recognising facts had been changed that had the effect of changing the conclusion. Also, students gave a generic type answer to the review and appeal procedures without regard to the particular circumstances referred to in the question i.e., the date the amended assessment was issued, the date when the 60 day period would expire etc.