

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE
DEPARTMENT OF FINANCE
BACHELOR OF COMMERCE HONOURS DEGREE IN FINANCE AND FISCAL
STUDIES

Optional to Finance

PART II - 2nd SEMESTER SUPPLEMENTARY EXAMINATION – OCTOBER 2009

ECONOMICS OF TAXATION [CFS 2203]

TIME ALLOWED: 3 HOURS

Instructions:

1. Time taken is 3 hours
2. Attempt all questions

QUESTIONS 1

- (a) What do you understand by impact and incidence of tax? (5 Marks)
- (b) 'A good tax system must have a wide base' Discuss (15 Marks)

QUESTION 2

- (a) Outline the essentials of a good tax system. (5 Marks)
- (b) Distinguish between direct and indirect taxes and outline the relative merits and demerits of indirect tax. (15 Marks)

QUESTION 3

- (a) What are some of the special characteristics of a tax? (7 Marks)
- (b) Describe the difficulties experienced by the tax authorities in less developed countries. (13 Marks)

QUESTION 4

- (a) Distinguish between private and public goods. (10 Marks)
- (b) Man from time immemorial has resented anything to do with taxes yet, most economies continue to impose them. What is the relevance of taxes? (10 Marks)

QUESTION 5

Make a critical analysis of the Zimbabwean Tax system. (20 Marks)

The End