

Knowledge Test

Introduction

Following on from completing the e-learning package here are a few questions to test your knowledge.

There are ten questions in this test. Please complete the questions over the following pages and then review your answers.

Question 1

Which of the following statements is true?

- a) The first penalties shall be charged in respect of inaccuracies in returns or documents: for return periods starting on or after 1 April 2008; where the due date for filing is on or after 1 April 2009.
- b) The first penalties shall be charged in respect of inaccuracies in returns or documents where the due date for filing is on or after 1 April 2009.

Please tick a box a) b)

Question 2

Please complete the sentence.

The amount of penalty is based on the

a)	understated tax	
b)	Potential Lost Revenue (PLR)	
c)	potential lost yield	
d)	assessed tax	

Question 3 (multiple answer)

Which of the following outcomes is the new penalty regime aiming to achieve?

a)	Encourage and influence positive customer behaviours	
b)	Drive up and encourage voluntary compliance	
c)	Educate and support those who try to comply	
d)	Penalise those that deliberately don't comply	
e)	Increase penalty yield	

Question 4

What percentage of Potential Lost Revenue is the maximum where the inaccuracy in a document is made deliberately but without concealment?

a)	0	
b)	30	
c)	70	
d)	100	

Question 5

A disclosure is made by telling us about it, giving us help in quantifying the inaccuracy/under-assessment and allowing us to access the person's records.

Is the following statement **True** **or False?**

A penalty may be reduced depending upon the quality of the person's disclosure of the inaccuracy.

Question 6

Which of the following behavioural categories will not be liable to penalty?

a)	Careless	
b)	Deliberate and concealed	
c)	An inaccuracy made despite the person taking reasonable care	
d)	Deliberate but not concealed	

Question 7

Is the following statement **True** or **False?**

When calculating the Potential Lost Revenue National Insurance Contributions are excluded.

Question 8 (multiple answer)

The new legislation introduced in Finance Act 2007, applicable from the 1 April 2009 applies to errors in returns and documents for which of the following taxes?

a)	VAT	
b)	Construction Industry Scheme	
c)	Income Tax	
d)	Capital Gains Tax	
e)	Excise Duties	
f)	National Insurance Contributions	
g)	Corporation Tax	
h)	PAYE	

Question 9

Which of the following statements is true?

a)	Suspension of a penalty can only be considered for an inaccuracy made despite the person taking reasonable care.	
b)	Suspension of a penalty can only be considered for careless inaccuracy.	

Question 10

Can a person appeal against the decision not to suspend a penalty?

Yes No

You have reached the end of the knowledge test. Now compare your answers with those on the next few pages.

Answers

Question 1

Which of the following statements is true?

- a) The first penalties shall be charged in respect of inaccuracies in returns or documents: for return periods starting on or after 1 April 2008; where the due date for filing is on or after 1 April 2009.
- b) The first penalties shall be charged in respect of inaccuracies in returns or documents where the due date for filing is on or after 1 April 2009.

Please tick a box a) b)

Answer

The correct answer is statement is **a)**
The first penalties shall be charged in respect of inaccuracies in returns or documents: for return periods starting on or after 1 April 2008; where the due date for filing is on or after 1 April 2009.

Question 2

Please complete the sentence.

The amount of penalty is based on the

a)	understated tax	
b)	Potential Lost Revenue (PLR)	✓
c)	potential lost yield	
d)	assessed tax	

Answer

The correct answer is **b)** the Potential Lost Revenue (PLR).

Question 3 (multiple answer)

Which of the following outcomes is the new penalty regime aiming to achieve?

a)	Encourage and influence positive customer behaviours	✓
b)	Drive up and encourage voluntary compliance	✓
c)	Educate and support those who try to comply	✓
d)	Penalise those that deliberately don't comply	✓
e)	Increase penalty yield	

Answer

The correct answers are **a), b), c) and d)**. The new penalty regime is about changing customer behaviour and encouraging better compliance in the future.

Question 4

What percentage of Potential Lost Revenue is the maximum where the inaccuracy in a document is made deliberately but without concealment?

a)	0	
b)	30	
c)	70	✓
d)	100	

Answer

The correct answer is **c) 70 percent**.

Question 5

A disclosure is made by telling us about it, giving us help in quantifying the inaccuracy/under-assessment and allowing us to access the person's records.

Is the following statement **True** or **False?**

A penalty may be reduced depending upon the quality of the person's disclosure of the inaccuracy.

Answer

The correct answer is that the statement is **True**.

Question 6

Which of the following behavioural categories will not be liable to penalty?

a)	Careless	
b)	Deliberate and concealed	
c)	An inaccuracy made despite the person taking reasonable care	✓
d)	Deliberate but not concealed	

Answer

The correct answer is c).

Question 7

Is the following statement **True**

or **False?**

When calculating the Potential Lost Revenue National Insurance Contributions are excluded.

Answer

The correct answer is **False**.

Question 8 (multiple answer)

The new legislation introduced in Finance Act 2007, applicable from the 1 April 2009 applies to errors in returns and documents for which of the following taxes?

a)	VAT	✓
b)	Construction Industry Scheme	✓
c)	Income Tax	✓
d)	Capital Gains Tax	✓
e)	Excise Duties	
f)	National Insurance Contributions	✓
g)	Corporation Tax	✓
h)	PAYE	✓

Answer

The correct answer is all of them apart from e) excise. The Finance Bill 2008 includes provision to extend the FA 2007 regime for penalties for incorrect returns to excise duties with effect from the 1 April 2010.

Question 9

Which of the following statements is true?

a)	Suspension of a penalty can only be considered for an inaccuracy made despite the person taking reasonable care.	
b)	Suspension of a penalty can only be considered for careless inaccuracy.	✓

Answer

Correct answer is **b**).

Question 10

Can a person appeal against the decision not to suspend a penalty?

Yes No

Answer

The correct answer is **Yes** as the decision not to suspend a penalty is an appealable decision.

You have reached the end of the knowledge test.