

Singapore CA Qualification (Foundation) Examination

6 December 2024

Singapore Taxation

INSTRUCTIONS TO CANDIDATES:

1. The time allowed for this examination paper is **3 hours 15 minutes**.
2. This examination paper has **FOUR (4)** questions and comprises **TWENTY-SEVEN (27)** pages (including this instruction sheet, Appendix A and Appendix B). Each question may have **MULTIPLE** parts and **ALL** questions are examinable.
3. This is a restricted open-book examination. You are allowed to have only the following materials with you at your exam location:
 - One A4-sized double-sided cheat sheet
 - One A4-sized double-sided blank scratch paper
4. During the examination, you are allowed to use your laptop and any calculators that comply with the ISCA's regulations. Please note that smartwatches, mobile phones, tablets, and all other electronic devices **MUST NOT** be used during the examination.
5. During the examination, videos of you and your computer screen will be recorded for the purpose of ensuring examination integrity and you have consented to these recordings.
6. This examination paper and all video recordings of this exam are the property of the Accounting and Corporate Regulatory Authority.

MODULE-SPECIFIC INSTRUCTIONS:

7. Assume that all dollar amounts are in Singapore dollar (S\$) unless otherwise stated.
8. All computations should be presented up to **TWO (2)** decimal places, unless otherwise stated.

IMPORTANT NOTICE:

If you are not feeling well, please do not press "Start Assessment". If you have started and leave during the exam, you would be deemed to have attempted the paper.

****VERY IMPORTANT NOTICE****

1. Your question paper is attached under the "**Resource**" tab found at the bottom right of **EACH** question.

Other important information:

2. You will **only be allowed** to access the Excel function from your computer.
3. You are **NOT ALLOWED** to access any websites or reference materials (except for your A4 sized double sided cheat sheet) during the exam.
4. You are **NOT ALLOWED** to print the question paper.
5. **Please take note that your screen will be monitored throughout the examination. If you are found to have accessed unauthorised materials or websites, or if you cheat or attempt to cheat, you will be liable to severe disciplinary action.**

Should you encounter any issues during the exam, please call the following number:

+65 6028 9811

6. **You do not need to fill in an answer to this instruction question.**

Question 1 – (a) and (b)

Globe Pte Ltd (Globe) is a pharmaceutical company specialising in the manufacture of medicines. Globe was incorporated in Singapore on 16 February 2021 and is wholly owned by four medical professionals: Bianca, Thomas, Simone and Ignatius. Globe closed its first set of accounts for the year ended 31 December 2021.

The shares in the company were equally held by the founding members until 30 June 2023. On 1 July 2023, Quartz Pte Ltd (QPL) bought over 80% shareholdings from the founding members with each of them retaining 5% shareholdings thereafter. The board meetings continue to be held in Singapore. Globe has been in the same business since the date of incorporation.

For the year ended 31 December 2023, Globe recorded total gross revenue of \$26,700,400 and a net profit before tax of \$2,320,800 after taking into consideration the following income and expense items:

Income	\$
Interest income from an inter-company loan made to a subsidiary company, Hexagon Pte Ltd (HPL). HPL is a tax resident in Country X which does not have a tax treaty with Singapore and has a headline tax rate of 15%. It also does not impose any tax on interest income. The interest income was used by Globe as a downpayment for the purchase of a packing equipment acquired during the year. The equipment arrived in Singapore in January 2024.	(32,400)
Rental income from an investment property in Country X. The monthly rental was credited to Globe's bank account in Country X. The rental income was used in Country X to settle expenses relating to the investment property (e.g., property tax, maintenance expenses and insurance.). As of 31 December 2023, Globe had utilised 80% of the rental income to pay for the said expenses. The balance amount was remitted back to	(120,000)

Globe's Singapore bank account on 20 March 2024. The rental income was not subject to withholding tax in Country X but income tax of \$2,400 was paid in Country X on the assessable net rental income in 2024.	
Expenses	
Depreciation for the year	210,000
Interest expense on loan obtained from a bank tax resident in Country X. The proceeds from the loan were deposited into Globe's bank account with OCBC Singapore. 70% of the loan was used to finance the acquisition of the investment property in Country X and the remaining 30% was used as working capital for Globe's business operations in Singapore.	60,000
Fine imposed by the National Environment Agency (NEA) for improper disposal of hazardous industrial waste.	30,000
Legal and professional fees relating to: <ul style="list-style-type: none"> Advice on compliance with regulations to avoid further penalties for disposal of hazardous industrial waste. Tax objection lodged with respect to a Notice of Assessment issued to an expatriate staff whose income tax liability is to be borne by Globe. Lease renewal of factory premises for another 5 years. 	8,300 2,500 15,500
Staff remuneration, comprising salaries, bonuses, employer's statutory Central Provident Fund (CPF) contributions, and directors' fees of \$100,000.	12,500,000
Medical/dental expenses and insurance premiums (including Goods and Services Tax (GST) of \$9,600). The company did not implement the Transferable Medical Insurance Scheme (TMIS) for its employees.	129,600
Donations made to an Institution of a Public Character (IPC) comprising the following: <ul style="list-style-type: none"> Cash donation of \$12,000 	17,000

<ul style="list-style-type: none"> Wines worth \$5,000 donated for auction at a charity event for the benefit of the IPC 	
Shelves expensed off (each shelf costing \$1,000)	10,000
Foreign exchange losses / (gain) include: <ul style="list-style-type: none"> Exchange loss on year-end revaluation of trading account; and Exchange gain on purchase of packing equipment during the year. 	10,800 (8,000)
Repairs and maintenance include: <ul style="list-style-type: none"> Cost of tiles to replace chipped and worn floor and wall tiles in the staff pantry; and Cost of installation of parquet flooring over cement flooring in the staff accommodation. 	5,000 7,500
Loss on sale of manufacturing equipment. The manufacturing equipment had been acquired at a cost of \$45,000 on 15 August 2021 and was sold for \$18,000 on 12 June 2023.	30,000

Note 1

The following capital expenditures (capitalised to the Balance Sheet) were incurred in the respective financial years:

Item	Financial year	\$
Office furniture and mechanical (non-automated) equipment (each unit costing more than \$5,000)	2022	183,000
Non-automated packing equipment	2023	82,000
Approval from the Commissioner of Building and Control was not required on the following non-structural renovation works:		
• Re-configuration of meeting and conference rooms comprising fixed partitions and flooring works	2021	159,000
• Plumbing works	2022	86,000
• General electrical installation	2022	58,000
• Fire sprinklers	2023	8,000
• Cabinets, each costing \$4,000	2023	36,000

- (a) Globe has opted for accelerated Section 14N deduction in previous YAs and will continue to do so in the current YA.
- (b) Globe has claimed maximum accelerated capital allowances in the previous YAs and will continue to do so in the current YA, where applicable.

Note 2

Globe is entitled to a Corporate Income Tax (CIT) Rebate cash grant of \$2,000.

**e-Exam
Question
Number**

Question 1 required:

2

(a) Calculate the minimum tax liability payable by Globe for YA 2024. Show all relevant workings/information in relation to the following:

- Special deductions under Section 14N of the Singapore Income Tax Act; and
- Capital allowances.

(20 marks)

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(b) Discuss the Singapore withholding tax implications, including the administrative requirements if applicable, with regard to the interest expense paid to the bank tax resident in Country X. There is no tax treaty between Country X and Singapore.

(5 marks)

(Total: 25 marks)

Question 2 – (a) and (b)

Tricia Tan is 52 years old and a citizen of Country Y. She is a widow and was previously married to a Singapore citizen, Terrence Tan, who passed away unexpectedly in 2021. The couple had been residing outside of Singapore for the past 20 years due to job opportunities outside of Singapore. Tricia was not successful in her Permanent Residence application in Singapore previously. In 2022, she accepted the role of Head of Investment at Compass Singapore Ltd (Compass), a Singapore-based company offering global family office services. She arrived in Singapore on 20 November 2022 to commence employment on 1 December 2022. Due to family issues, Tricia had to terminate her employment contract with Compass prematurely and her last day of work was 31 March 2023, the same day she returned to Country Y. For the period to 31 March 2023, Tricia derived the following income from Compass and incurred the following expenses and outlay:

- Monthly salary of \$50,000.
- She returned \$30,000 of the \$100,000 sign-on bonus that was paid to her in November 2022.
- The company provided her with accommodation benefits as follows:
 - a. Hotel accommodation for November 2022: \$5,000; and
 - b. She was put up in company-owned accommodation rent-free from 1 December 2022 till 31 March 2023. The fully furnished company-owned accommodation (with an annual value of \$150,000) had previously derived a rental income of \$18,000 per month.
- The company provided her with a rental car for her personal and business use from 1 December 2022 to 31 March 2023. The monthly hire charge of \$4,000 was paid by Compass and Tricia was given a monthly allowance of \$2,000 to cover the running expenses of the car.
- Premium of \$18,000 paid by Compass in 2023 on Tricia's medical and hospitalisation insurance policy that Tricia negotiated into her employment contract.

- Tricia incurred the following expenses in 2023 that were not reimbursed by Compass:
 - a. Business entertainment expenses of \$3,200;
 - b. Running expenses of \$4,500 on the use of the rental car for business travels; and
 - c. Taxi fares of \$3,000 for business-related travels.

There are 365 days in the year 2023.

Tricia owns a residential investment property in Singapore for the past 5 years which has always been rented out. During the year ended 31 December 2023, the income and expenses from the apartment were as follows:

- Gross monthly rental: \$8,000
- Annual fire insurance and property tax: \$6,500
- Monthly maintenance fee: \$400
- Replacement of refrigerator with similar features to the old appliance: \$900
- Mortgage repayment (monthly): \$3,000 (comprising capital repayment of \$2,500 and interest of \$500)

Tricia will be claiming expenses on a simplified basis in respect of the property.

Other information:

- Tricia has a daughter, Laura, who is a Singapore citizen. Laura is 21 years old and is currently studying at a university in New York under a scholarship awarded by Compass. During the year 2023, Laura received \$120,000 of school tuition fees and housing allowances from the scholarship.
- Tricia's mother suffered a major stroke leading to Tricia prematurely terminating her employment contract with Compass. Tricia had to return to Country Y to support her father who is the primary caregiver to her mother. Her parents are fully dependent on Tricia for their living needs.
- Tricia is also supporting her mother-in-law, who lives in Singapore, by bearing the costs of hiring a foreign domestic helper who look after her mother-in-law. The

monthly costs amount to \$1,500 including \$60 for the foreign domestic helper levy. Her mother-in-law draws \$2,000 monthly from the inheritance bequeathed by her late son and continues to live in the property purchased by her late husband.

**e-Exam
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Question 2 required:

4

- (a)** Determine Tricia's tax residence status for the Year of Assessment 2024 using the qualitative and quantitative tests as well as the relevant administrative concession.

(10 marks)

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- (b)** On the basis that Tricia is not a tax resident in Singapore for the Year of Assessment 2024, compute Tricia's net tax payable on the various income sources. For relief under Section 40B, both bases of computation are to be considered and you are to maximise the claim for reliefs available to Tricia. Show all relevant workings to support your claims, e.g., working mother's child relief - provide your workings showing the rate of claim applied to each child, if any.

(15 marks)

(Total: 25 marks)

Question 3 – (a)

CVS Pharma Pte Ltd (CVS Pharma), a Singapore-incorporated company, is a wholesaler and retailer of consumer healthcare products. It sells directly to retail customers via its website and through retail outlets in Singapore. CVS Pharma is a Goods and Services Tax (GST) registered company. It has also opted to apply a reverse charge on all its imported services.

The following transactions were conducted in the quarter ended 30 April 2024. **Unless otherwise stated**, all purchases made in Singapore were from GST-registered suppliers, and all sales values stated are exclusive of GST. The company's policy is to claim all available input tax credits.

- (i) Sales of healthcare products where deliveries were made from Singapore during the quarter:
 - (i-1) Sales to Singapore distributors worth \$980,000 before a 15% sales discount was given.
 - (i-2) Sales of \$580,000 were made to Singapore customers via the website where GST was absorbed.
 - (i-3) Sales of \$700,000 made to overseas customers where goods were shipped to customers within a week of receiving the orders.
- (ii) Goods purchased from a supplier in Country K and delivered to:
 - (ii-1) Singapore – cost of \$490,000 and freight charges of \$45,000 paid to an overseas freight forwarder.
 - (ii-2) Country L – cost of \$520,000 and freight charges of \$55,000 paid to an overseas freight forwarder to deliver the goods directly to customers in Country L.
- (iii) Rental income of \$45,000 for the quarter from the sub-lease of excess shop space in one of its retail outlets.
- (iv) Cash received in March 2024 in respect of the following:
 - (iv-1) \$30,000 refundable security deposit for sub-lease of shop space.
 - (iv-2) \$20,000 deposit for the sale of goods to a Singapore customer to be delivered in May 2024.

- (v)** Cash received of \$2,700 from the sale of scrap packing materials.
- (vi)** Legal and estate agents' fees of \$8,000 relating to the sub-lease of shop space.
- (vii)** Consultancy fees of \$25,000 paid to a lawyer in Country Z for advice on setting up a branch office in Country Z.
- (viii)** Interest expense of \$13,000 paid to OCBC Bank Singapore for working capital loan.
- (ix)** During a month-long promotion at its retail outlets in March, the company gave away healthcare products and water bottles worth \$15,000 as lucky draw prizes. Each recipient stood a chance to win prizes valued at no more than \$80.
- (x)** Donation of \$20,000 to an institution of public character comprising:
 - (x-1)** Cash of \$8,000; and
 - (x-2)** Stocks worth \$12,000. The stocks were imported from Country K in the previous quarter.
- (xi)** Bad debt written off in respect of sales of \$13,910 made in February 2023 to a non-GST registered distributor in Singapore as the distributor was declared bankrupt.

Question 3 required:

- (a) For each of the above transactions referred to by the Roman numeral code, and with reference only to the quarter ended 30 April 2024, provide your answer in the following format:

	Others, state if OS, NS, BL or EXS	Value of supply made			Output GST	Value of taxable purchase	Input GST
		SR	ZR	EX			
(i-1)							

Note: You may copy the above table into Excel to prepare your answers.

Where there is no taxable (i.e., standard-rated “SR” or zero-rated “ZR”) or exempt (i.e., EX) supply made or there is no input GST to be claimed, please state why under the column marked “Others”, using the following abbreviations:

OS – Out-of-Scope

NS – No Supply

BL – Blocked

ZR – Purchase that is a zero-rated supply

EX – Purchase that is an exempt supply

EXS – Incurred in the making of exempt supply

Using the abbreviations indicated in the legend and the following example transaction as a guide, this is how you should present your answer:

Transaction: **(xi)** Purchase from a non-GST registered supplier
- \$300

	Others	Value of supply made			Output GST	Value of taxable purchase	Input GST
		SR	ZR	EX			
(xi)	OS					\$0	\$0

Legend for the example answer:

(xi) – Is the unique line number identifying the transaction in the case;

OS (out-of-scope) is the reason why there is no taxable purchase and input tax.

(25 marks)

(Total: 25 marks)

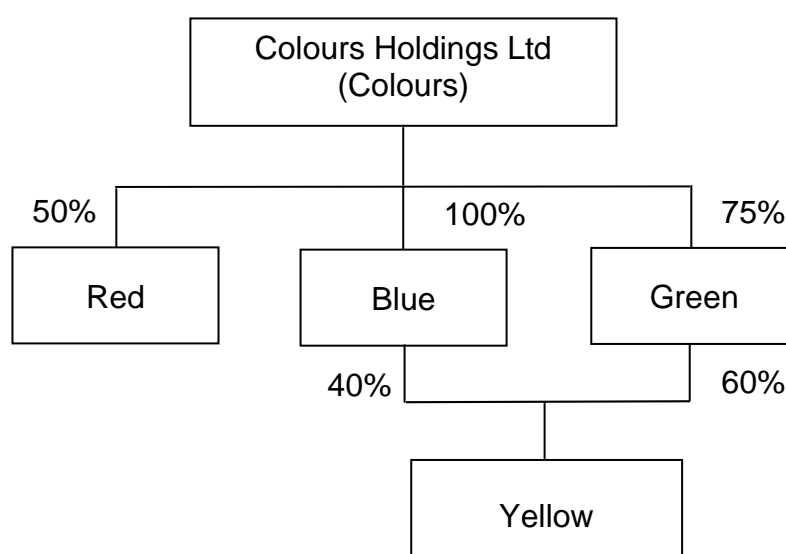
Question 4 – (a), (b) and (c)

Colours Group is a group of companies that are all incorporated in Singapore and are the market leaders in the cosmetics industry in the Asia Pacific region. Colours Holdings Ltd (Colours), the ultimate parent company, is an investment holding company. Its subsidiaries are carrying on business in the various sectors of the beauty and personal care industry.

Up until 30 April 2023, Colours was wholly owned by Ms Lavendar Haze and Green Pte Ltd (Green)'s shares were held by Colours (30% shareholdings) and Mr Jade Lau (70% shareholdings). On 1 May 2023, Ms Haze sold 20% of her shareholdings in Colours to Mr Lau. On the same day, Mr Lau sold 45% of his shareholdings in Green to Colours, allowing Colours to increase its shareholdings in Green to 75%.

Apart from Colours and Green, there have been no other changes to the group structure and shareholdings since 2010. The Group does not have any intention to change its shareholdings in any of the subsidiaries in the future. All the companies in the group share the same accounting year end of 30 June.

The following diagram shows the corporate group structure after the above-mentioned shareholding changes:



The Group reported the following results for YAs 2023 and 2024:

	Colours	Red	Blue	Green	Yellow
AI* for YA 2023	NIL	\$80,000	\$120,000	\$310,000	\$90,000
* Assessable Income					
Net investment deficit for year ended 30 June 2023	(\$30,000)	\$0	\$0	\$0	\$0
Adjusted profits/(loss) for YA 2024	NIL	\$120,000	\$48,000	\$10,000	\$18,000
Capital allowances for YA 2024	NIL	(\$50,000)	(\$10,000)	(\$220,000)	(\$5,000)

**e-Exam
Question
Number**

Question 4 required:

7

(a) Explain if group relief may be used for the utilisation of the loss items arising from YA 2024. In your answer,

- identify which of the companies in the group are considered members of the same group for the purpose of utilising the loss items available in YA 2024 and the basis for arriving at your conclusion; and
- where group relief is available, state clearly the amounts that can be transferred and the basis for arriving at the amount(s). In this regard, where group relief can be applied by more than one company, the amounts to be transferred to the respective claimant companies should be made firstly to the company with the highest assessable income followed by the company with the next highest assessable income.

(10 marks)

8

(b) Explain if carry-back relief may be used for the loss items arising from YA 2024. In your answer,

- you are to state clearly the conditions to be satisfied and address whether the conditions are met; and
- where carry-back is available, state clearly the amount that can be carried back and show how the amount is arrived at. You are to take into consideration any amounts that will be transferred under group relief provisions.

(10 marks)

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9

Question 4 required:

- (c)** Prepare Green's tax computation for YA 2024, on the basis that group relief and carry-back are elected. Group relief transfers are to be made, to the extent possible, firstly to the claimant company with the highest assessable income, then to the claimant company with the next highest assessable income, and so on.

(5 marks)

(Total: 25 marks)

END OF PAPER

Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2024

Goods and Services Tax

Standard rate	7% (up to 31 December 2022)
	8% (1 January 2023 to 31 December 2023)
	9% (from 1 January 2024 onwards)

Compulsory Registration threshold

- taxable supplies exceeding \$1 million (either under the retrospective or prospective basis)
- imported services, within the scope of reverse charge, in excess of S\$1 million in a 12-month period (either under the retrospective or prospective basis) and importer of service is not entitled to full input tax credit when GST-registered.

Corporate Income Tax (CIT) Rate

Year of Assessment 2024	17%
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Corporate Tax Rebate

Year of Assessment 2024 CIT tax rebate of 50% of corporate tax payable, subject to a cap as follows:

- Rebate > \$0 and no CIT cash grant* received, rebate up to \$40,000 will be given.
- Rebate ≤ \$2,000 and CIT cash grant of \$2,000* received, no rebate will be given.
- Rebate > \$2,000 and cash grant of \$2,000* received, rebate up to \$38,000 will be given (CIT rebate capped at \$40,000 less grant of \$2,000).

* Cash grant of \$2,000 will be given to companies (tax resident & non-resident) provided the company employed at least one local employee (excluding shareholders who are also directors) in 2023.

There were no corporate tax rebates nor CIT cash grant available for Years of Assessment 2021 to 2023.

Computation of exempt income under Partial/Start-up Tax Exemption Scheme

Effective Year of Assessment 2020:

<u>Partial Tax Exemption</u>	\$
First \$10,000 of chargeable income is 75% exempt	7,500
Next \$190,000 of chargeable income is 50% exempt	<u>95,000</u>
Total	<u>102,500</u>

<u>Start-up Tax Exemption</u>	
First \$100,000 of chargeable income is 75% exempt	75,000
Next \$100,000 of chargeable income is 50% exempt	<u>50,000</u>
Total	<u>125,000</u>

Personal Income Tax effective from Year of Assessment 2024 (Resident)

Chargeable Income	Rate (%)	Gross Tax Payable (\$)
First \$20,000	0	0
Next \$10,000	2.0	200
First \$30,000	-	200
Next \$10,000	3.5	350
First \$40,000	-	550
Next \$40,000	7.0	2,800
First \$80,000	-	3,350
Next \$40,000	11.5	4,600
First \$120,000	-	7,950
Next \$40,000	15.0	6,000
First \$160,000	-	13,950
Next \$40,000	18.0	7,200
First \$200,000	-	21,150
Next \$40,000	19.0	7,600
First \$240,000	-	28,750
Next \$40,000	19.5	7,800
First \$280,000	-	36,550
Next \$40,000	20.0	8,000
First \$320,000	-	44,550
Next \$180,000	22.0	39,600
First \$500,000	-	84,150
Next \$500,000	23.0	115,000
First \$1,000,000	-	199,150
In excess of \$1,000,000	24.0	

Personal tax rebate

The rebate is given for Year of Assessment 2024 at the rate of \$50%, capped at \$200. There was no personal tax rebate in Years of Assessment 2021 to 2023.

Personal Income Tax (Non-resident)

General Rate: 24% (effective from YA 2024)

Section 40B Relief for Non-resident Employees

Tax payable on the Singapore employment income of a non-resident individual is calculated at a flat rate of 15% or on a resident basis, whichever results in a higher tax amount.

Central Provident Fund (CPF)

Contributions for individuals aged 55 years and below and earning at least \$750 per month.

Rates of CPF contributions (effective from 1 January 2016 onwards)

Employee	20%
Employer	17%

Maximum monthly ordinary wages (OW) attracting CPF (up to 31/8/2023)	\$6,000
Maximum monthly ordinary wages (OW) attracting CPF (from 1/9/2023 to 31/12/2023)	\$6,300
Maximum annual additional wages (AW) attracting CPF	\$102,000 less OW subject to CPF

Ad hoc Contribution to Medisave

Cap on deductible ad hoc contribution by employers to employees' Medisave accounts

- Effective from 1 January 2018, \$2,730 per employee per year.

Personal Income Tax Reliefs

With effect from YA 2018, the overall personal income tax relief available to resident individuals, as detailed below, will be capped at \$80,000.

Earned income

Age	Normal (able-bodied) maximum	Handicapped maximum
Below 55 years	\$1,000	\$4,000
55 to 59 years	\$6,000	\$10,000
60 years and above	\$8,000	\$12,000

Other reliefs

Type of relief	Amount of relief
Spouse relief	\$2,000
Handicapped spouse relief	\$5,500
Qualifying child relief (per child) (QCR)	\$4,000
Handicapped child relief (per child) (HCR)	\$7,500
Handicapped sibling relief (per sibling)	\$5,500
Parent relief	
- Staying with dependant	\$9,000
- Not staying with dependant	\$5,500
Handicapped parent relief	
- Staying with dependant	\$14,000
- Not staying with dependant	\$10,000
Working mother's child relief (WMCR)	% of mother's earned income
- First child	15%
- Second child	20%
- Third and subsequent child	25%
- Maximum cumulative WMCR	100%
Maximum relief per child (comprising QCR or HCR and WMCR)	\$50,000
Grandparent caregiver relief	\$3,000
Life insurance relief	\$5,000 (max)
CPF relief for self-employed	Tax relief will be capped at the lower of: <ul style="list-style-type: none">• 37% of net trade income assessed; or• CPF relief cap of \$37,740; or

Type of relief	Amount of relief
	<ul style="list-style-type: none"> Actual amount contributed in the basis period.
Course fee relief	\$5,500 (max)
Foreign domestic worker levy relief - Effective from 1 April 2022	\$7,200 (max)
Supplementary Retirement Scheme - Singapore citizens and PRs - Foreign citizens	\$15,300 (max) \$35,700 (max)
CPF cash top-up relief - Self - Qualifying family members	\$8,000 (max) \$8,000 (max)

National Service Man (NSman) relief

	Normal Appointment	Key Appointment Holder
Active NSman	\$3,000	\$5,000
Non-active NSman	\$1,500	\$3,500
Wife/widow/parent of NSman	\$750	\$750

Withholding tax rates

Nature of income	% rates payable
Interest and other payments in connection with loan or indebtedness	15%
Royalty or other lump sum payments for the use of, or the right to use, movable properties	10%
Payment for the use of, or the right to use scientific, technical, industrial, or commercial knowledge or information	10%
Technical assistance and service fees	Prevailing Corporate Tax Rate

Management fees	Prevailing Corporate Tax Rate
Rent or other payments for the use of movable properties	15%
Director's remuneration	24%
Non-resident professional	15% of gross or 24% of net

Appendix B – Common verbs used by the Examiners

Verb	Description
Calculate / Compute	Do the number crunching and derive the correct answer. Make sure that you write down your workings and crosscheck your numbers.
Determine	Ascertain or conclude after analysis and evaluation the most appropriate course of action or most correct answer from a range of viable alternatives.
Discuss	Discuss requires you to provide the 'for' and 'against' arguments, you cannot have a discussion without opposing views otherwise it would be just a conversation. If discuss is placed near the front of the instruction, then it requires you to provide an answer that is similar to explain , but addresses both the for and against arguments.
Explain	Explain requires you to write at least several sentences conveying how you have analysed the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand.
Prepare/Present	Prepare (or present) requires you to produce your answer using a specific format. For instance, " Present an extract of the notes to the accounts for..." or " Prepare all the relevant journal entries for ...". Remember, a journal is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness.
State	State is similar to list , but the items require your professional judgement. For instance, " State any restrictions that apply". One of the easiest ways to make sure that you state comprehensively is to think, " list and justify ".
Use / Using	This instruction tells you the type of model that you must use when formulating your answer. For instance, " Using the <u>Discounted Cash Flow approach</u> , ..." tells you what valuation approach to use.
With reference to	This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, " With reference to relevant Singapore Financial Reporting Standards, explain the risk of material misstatements relating to ...". In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier (with reference to 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks.