



## Singapore CA Qualification (Foundation) Examination

10 June 2022

### 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-FOUR (24)** 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 SAC's regulations. Please note that watches, 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 Singapore Accountancy Commission.

#### 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\*\***

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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 6100 0516

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

### Question 1 – (a) and (b)

Marque Pte Ltd (“MPL”) was incorporated in Singapore on 15 May 2020 and closed its first set of accounts on 31 December 2020. Its shareholders are SC Communications Ltd (“SCC”), a leading marketing and communications company in Country F and Candace Wong, a Singaporean and the former top creative director at SCC who was previously based in Country F. As Candace decided to return to Singapore in 2020, SCC proposed setting up MPL, a digital marketing company in Singapore, with Candace as its Managing Director and holding 30% of its share capital. Due to the Covid crisis, the agency set-up took longer than usual, and the Singapore business commenced only on 15 February 2021.

SCC commenced negotiations, on behalf of MPL, to take over the digital marketing business of its business partner in Country X, and the acquisition was finalised in July 2020. The business taken over in Country X will be conducted through a branch registered in Country X on 20 June 2020 by MPL. The branch in Country X made a small profit of \$15,000 for the period ended 31 December 2020.

For the year ended 31 December 2021, MPL made a net accounting profit before tax of \$545,000 on a turnover of \$5,500,000. The profit was arrived at after taking into consideration the following income and expenses:

<b>Income</b>	<b>S\$</b>
Branch profit for the year ended 31 December 2021, net of 15% corporate tax in Country X. The branch profits were retained in the current account maintained in Country X.	(55,000)
Interest income from UOB, an approved bank in Singapore.	(10,000)
Interest income from fixed deposit placement in Country X. There is no interest withholding tax in Country X, and the interest was rolled over when the deposit placement was extended.	(15,000)
Writeback of provision for debt impairment. The provision was created by MPL in financial year 2020 in respect of a potential bad debt in the branch operations.	(55,000)

Enterprise Singapore grant to defray the acquisition cost of computers and other IT equipment (application submitted in 2020 and approval was granted in 2021).	(80,000)
Foreign exchange difference arising from:	(10,000)
<ul style="list-style-type: none"> <li>• Gain from revaluation of branch prior year's retained earnings – (\$2,000)</li> <li>• Gain on revaluation of accounts receivables/payables – (\$8,000)</li> </ul>	

<b>Expenses</b>	<b>S\$</b>
Depreciation for the year.	22,000
Revenue expenses for the period from 1/1/2021 to 14/2/2021. (All expenses mentioned hereinafter are for the period from 15/2/2021 onwards.)	30,000
Staff costs comprising:	
<ul style="list-style-type: none"> <li>• Staff salaries, allowances and employer's CPF contribution</li> <li>• Remuneration paid to Managing Director, Candace Wong</li> <li>• Directors' fees</li> <li>• Staff medical and hospitalisation insurance premium</li> <li>• Contribution to the overseas pension scheme as agreed under terms of employment with an employee holding Employment Pass</li> </ul>	425,000 210,000 6,000 10,000 6,200
MPL has not implemented any portable or transferable medical schemes.	
Staff recruitment expenses	12,000
Legal and professional fees relating to:	
<ul style="list-style-type: none"> <li>• Application of Enterprise Singapore IT equipment grant.</li> <li>• Review of initial tenancy agreement for staff accommodation.</li> <li>• Review of employment contracts to ensure compliance with labour laws in Singapore.</li> <li>• Purchase of office unit</li> </ul>	5,000 1,800 2,500 18,400
Transportation expenses comprising:	

<ul style="list-style-type: none"> <li>• Mileage claims by staff for use of personal car for overtime work</li> </ul>	3,200
<ul style="list-style-type: none"> <li>• Use of <u>chauffeured</u> private hire cars by staff for overtime work</li> </ul>	2,300
Subscription fee paid on a corporate club membership which is to be used for client entertainment, staff meetings and functions.	24,000
Donation to Singapore Red Cross Society, an institution of public character comprising of cash donation of \$6,000 and food supplies worth \$4,000.	10,000
Interest expense paid to SCC, which is tax resident in Country F, for the following purposes: <ul style="list-style-type: none"> <li>• Purchase of office unit in Singapore.</li> <li>• Working capital for the Singapore office</li> <li>• Working capital for the Malaysian branch (the proceeds from the loan were sent directly by SCC into the branch's current account in Country X.)</li> </ul>	78,000 16,000 7,800

### **Note 1**

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

<b>Item</b>	<b>Financial year</b>	<b>S\$</b>
Computer equipment – tranche 1	2020	235,000
Computer equipment – tranche 2	2021	95,000
Office unit	2020	8,500,000
Approval from the Commissioner of Building and Control or any other authority was not sought on the following non-structural renovation works: <ul style="list-style-type: none"> <li>• Interior designer fees – initial deposit</li> <li>• Interior designer fees – final instalment</li> <li>• Hacking and debris removal</li> <li>• Re-configuration of office and staff recreation areas comprising of flooring, general electrical wiring, plumbing and tiling works as well as new sanitary ware</li> </ul>	2020 2021 2020 2020 2021	3,800 9,700 24,000 183,000 72,000

• Installation of ramps and modifications to the layout to cater to physically impaired employees	2021	30,000
• Furniture (cabinets, tables, chairs, workstations)	2021	105,000

**MPL does not wish to opt for accelerated Section 14Q deduction but would opt for maximum accelerated capital allowances.**

**Note 2**

For the period ended 31 December 2020, MPL incurred a net accounting loss of \$103,000, which comprised a salary of \$42,000 paid to Candace Wong for the administration of the business, debt impairment provision of \$55,000 and incorporation expenses of \$6,000.

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**Question 1 required:**

**2**

**(a)** Calculate the tax liability of MPL for YA 2022 given the options adopted by MPL above. Show all relevant workings/information in relation to the following:

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

**(20 marks)**

**3**

**(b)** Explain the Singapore withholding tax implications in respect of the interest payment to SCC. Singapore does not have a tax treaty with Country F.

**(5 marks)**

**(Total: 25 marks)**

## Question 2 – (a) and (b)

Sandra Lim, a 54 year-old Singaporean, worked for KTV Medical Supplies Pte Ltd (“KTV”) as their senior sales manager until 30 September 2021. Sandra tendered her resignation on 1 August 2021 as she decided to focus on the business she had started with her partner in December 2020. The general partnership business had won a major contract to act as the sole distributor of medical devices manufactured by a company in Oberhausen, Germany. They anticipate an increase in business in the financial year 2022.

For the period up to 30 September 2021, Sandra derived the following income and benefits from her employment with KTV:

- Salary @ \$15,000/month (\$135,000 for the period)
- Entertainment allowance of \$1,500/month (\$13,500 for the period).
- 4 months discretionary performance bonus for the employment year 2020 was received in February 2021.
- Sandra was provided with the use of a company car purchased in July 2017 at the cost of \$183,300 (the Preferential Additional Registration Fee (PARF) rebate is \$50,000). The car was returned to KTV at the end of her last day of work. For the employment year 2021, KTV had incurred \$8,400 on road tax, insurance and maintenance expenses on the car. All other running expenses were borne by Sandra. (There are 365 days in year 2021.)
- The latest model of the Samsung Z Fold 3, costing \$2,500 was purchased for Sandra’s use in June 2021. The company decided to let her keep the phone after her last day of work.

Sandra incurred the following expenses in respect of her employment with KTV:

- Business entertainment expenses of \$2,400;
- Petrol and parking charges of \$2,800 spent on company car for business-related travels;
- Chauffeured hire car charges of \$240 for business-related travels; and
- Sandra is required to serve 3 months’ notice period under the terms of her employment contract. However, as she is required to commence travel in October



for her partnership business, KTV is agreeable to release her from employment earlier than scheduled, but Sandra will have to compensate KTV one month's salary of \$15,000 in lieu of completing her notice period in full.

Sandra's partnership business was registered and commenced operations in December 2020. For the first financial period ended 31 October 2021, Sandra's share of divisible loss was \$55,000 after taking into account the following:

- Salary for October 2021 of \$1,500;
- Private motor car expenses of \$6,800 of which \$5,400 was incurred for non-business travels; and
- Overseas travel expenses of \$14,700 of which \$9,600 relates to expenses incurred on family members who joined Sandra in her business trip to meet the German principal.

Sandra's share of interest income derived through the partnership is \$1,300. The interest income was earned on loans given to staff.

**Other information:**

- Sandra is a widow with 2 children who are Singapore citizens.
- Her firstborn, 23-year-old Jennifer, graduated from university in June 2021. She started working as a trainee with OCBC Bank under the SG United Traineeship Program on 1 November 2021. Her monthly allowance is \$1,800.
- Her second child is 21-year-old Jerald, who completed National Service (NS) in March 2021. He commenced tertiary education at a local university in July 2021. His NS allowance for the year 2021 is \$3,150.
- Sandra is currently living with her parents, Samuel and Patricia Tan, who are in their late seventies. Samuel derived dividend income of \$25,000 from investments in Singapore shares during the year. Patricia won \$15,000 in Toto winnings.
- Sandra continues to support her mother-in-law by contributing \$2,000 monthly towards her nursing home expenses.
- Sandra has hired a foreign domestic worker to help with household chores. The foreign maid levy incurred for the year 2021 is \$720.

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**Question 2 required:**

**4**

- (a)** Compute Sandra's minimum tax payable for the Year of Assessment 2022 and maximise the claim for reliefs available to Sandra. All relevant reliefs available to Sandra should be considered and included in your answer. With respect to the following reliefs:
- i. Working Mother Child Relief – Provide your workings showing the rate of claim applied to each child, if any.
  - ii. Parent Relief – indicate on which parent or parent-in-law the relief is claimed.

**(20 marks)**

**5**

- (b)** Sandra has hired Clifford Ong, an American citizen, to work in her business with effect from 1 November 2021 on a 2-year employment contract. Using the relevant test of residence and administrative concession, explain Clifford's tax residence status for the Year of Assessment 2022.

**(5 marks)**

**(Total: 25 marks)**

### Question 3 – (a), (b) and (c)

Alpha Beta Pte Ltd (“ABPL”), a Singapore incorporated company, is a wholesaler of medical devices sourced from Europe and, on a smaller scale, it also sells directly to retail customers via its website. ABPL is a Goods and Services Tax (GST) - registered company entitled to a full input tax credit. It has also opted to apply a reverse charge on all its imported services.

The following transactions were conducted in the quarter ended 31 May 2021. **Unless otherwise stated**, all purchases made in Singapore were from GST-registered suppliers, and all sales values stated are exclusive of GST.

- (i) Sales of medical supplies where deliveries were made from Singapore during the quarter:
  - (i-1) Sales to Singapore corporate customers worth \$940,000 before an 8% discount is given for bulk purchase.
  - (i-2) Sales of \$90,000 made to Singapore customers via the website where GST was absorbed.
  - (i-3) Sales of \$1,269,000 made to overseas customers where goods were shipped to customers within a week of receiving the orders.
- (ii) Sales of medical supplies worth \$430,000 were delivered directly from a supplier in Europe to customers in Vietnam.
- (iii) The goods sold in (ii) were purchased from an overseas supplier at the cost of \$330,000 and freight charges of \$23,000 paid to an overseas freight forwarder to deliver the goods to customers in Vietnam.
- (iv) Interest of \$13,200 charged on overdue customer accounts owing by (a) Singapore customers (\$6,400) and (b) overseas customers (\$6,800).
- (v) Received share capital injection of \$500,000.
- (vi) Cash receipt of \$15,000 from the receivers of a former corporate customer in Singapore. The debt owing by the customer was written off previously, and bad debt relief was claimed in a previous quarter.
- (vii) Rental expense of \$45,000 incurred in respect of office premises which has an annual value of \$156,000.

- (viii)** Exchange gain of \$24,000 from the settlement of trading accounts (accounts receivables and payables) and exchange loss of \$32,400 from the purchase of fixed assets.
- (ix)** Purchase of beverage supplies worth \$460 for staff consumption only. The beverages were fully consumed by staff by the end of the quarter.
- (x)** Purchase of furniture for office premises of \$10,800 and staff accommodation of \$4,500.
- (xi)** Incurred non-structural renovation costs comprising flooring and tiling works of \$48,000 and interior designer fees of \$5,000. The works were carried out on office premises.
- (xii)** Net book value of \$3,200 in respect of old furniture written off. The furniture with a market value of \$1,200 was donated to charitable organisations.
- (xiii)** Purchase of 10 Fitbit watches as lucky draw prizes for an upcoming staff gathering in the next quarter. Each cost \$180.

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**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 31 May 2021, provide your answer in the following format:

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

**Note: You may copy this 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 column marked “Others”, using the following abbreviations:

**OS** – Out-of-Scope

**NS** – No Supply

**BL** – Blocked

**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.

**(16 marks)**

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**(b)** Complete the GST return as follows:

Total Value of SR supplies	
Total Value of ZR supplies	
Total Value of EX supplies	
Sub-Total	
Total Value of Taxable Purchases	
Output Tax Due	
Input Tax and Refunds Claimed	
Net GST to be Paid to or Claimed from IRAS*	

\* Delete accordingly

**(4 marks)**

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**(c)** In respect of **Transactions (x)** and **(xi)**, explain their tax treatment for income tax purposes.

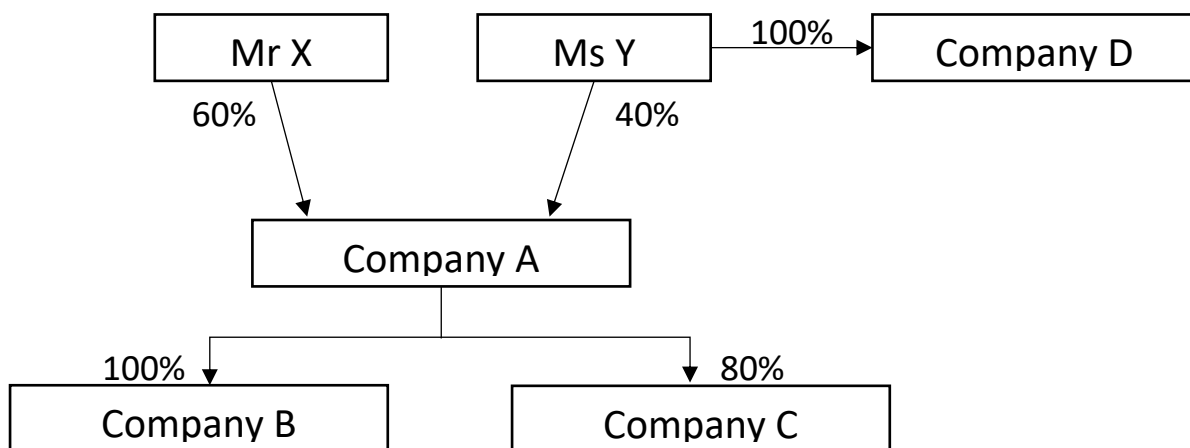
**(5 marks)**

**(Total: 25 marks)**

**Question 4 – (a), (b) and (c)**

Until 14 October 2020, Company A, an investment holding company that derives only one-tier dividend income, was wholly owned by Mr X. On 15 October 2020, Ms Y acquired 40% shareholdings in Company A from Mr X. Company A owns 100% shareholdings in Company B and 80% shareholdings in Company C. Meanwhile, Ms Y owns 100% shareholdings in Company D. All the companies are Singapore incorporated companies which are also tax resident in Singapore. They all share the same accounting year-end of 31 December.

The group structure as at 31 December 2021 is as follows:



The tax position of Company C for the relevant Years of Assessment (YA) are as follows:

	<b>Company C</b>
Assessable income for YA 2019	\$60,000
Assessable income for YA 2020	\$50,000
Unabsorbed loss for YA 2021	(\$180,000)
Statutory income for YA 2022	\$10,000

In addition, for YA 2021, Companies B and D have an assessable income of \$90,000 and \$200,000, respectively.

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**Question 4 required:**

- 9**            **(a)** Explain if Company C's loss items arising from YA 2021 can be utilised under the group relief provisions. If so, state the amount that can be transferred to the relevant company(s).  
**(5 marks)**
- 10**           **(b)** Using the relevant tests, explain if Company C is able to carry back its loss items arising from YA 2021 under the normal/enhanced carryback provisions. Detail the amount of loss items that can be carried back to the relevant YA.  
**(15 marks)**
- 11**           **(c)** What is the most tax-efficient way for the group to maximise the use of Company C's loss item arising from YA 2021?  
**(5 marks)**  
**(Total: 25 marks)**

**END OF PAPER**



## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022

### Goods and Services Tax

Standard rate 7%

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 Rate

Year of Assessment 2022 17%

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

Up to Year of Assessment 2019:

<u>Partial Tax Exemption</u>	\$
First \$10,000 of chargeable income is 75% exempt	7,500
Next \$290,000 of chargeable income is 50% exempt	<u>145,000</u>
Total	<u>152,500</u>

#### Start-up Tax Exemption

First \$100,000 of chargeable income is 100% exempt	100,000
Next \$200,000 of chargeable income is 50% exempt	<u>100,000</u>
Total	<u>200,000</u>

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>

#### Start-up Tax Exemption

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>

## **Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022**

The corporate tax rebate for the respective years are as follows:

YA 2016 – 50% capped at \$20,000;

YA 2017 – 50% capped at \$25,000;

YA 2018 – 40% capped at \$15,000;

YA 2019 – 20% capped at \$10,000; and

YA 2020 – 25% capped at \$15,000.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022

### Personal Income Tax effective from Year of Assessment 2017 (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
Above \$320,000	22.0	

### Personal Income Tax for the Year of Assessment 2021 (Non-resident)

General Rate: 22%

#### 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.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022

### Central Provident Fund (CPF)

Contributions for individuals of ages 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	\$6,000
Maximum annual ordinary wages (OW) attracting CPF	\$72,000
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

- Up to 31 December 2017, \$1,500 per employee per year.
- Effective from 1 January 2018, \$2,730 per employee per year.

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022

### Personal Income Tax Reliefs for the Year of Assessment 2020

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)

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022

Type of relief	Amount of relief
Voluntary CPF contribution of self-employed	Tax relief will be capped at the lower of: <ul style="list-style-type: none"> <li>• 37% of net trade income assessed; or</li> <li>• CPF relief cap of \$37,740; or</li> <li>• Actual amount contributed in basis period.</li> </ul>
Course fee relief	\$5,500 (max)
Foreign domestic worker levy relief	
- Up to 31 March 2019	\$6,360 (max)
- Effective from 1 April 2019	\$7,200 (max)
Supplementary Retirement Scheme	
- Singapore citizens and PRs	\$15,300 (max)
- Foreign citizens	\$35,700 (max)

### National Service Man (NSman) relief

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

## Appendix A – Standard Taxation Rates and Reliefs - Year of Assessment 2022

### Withholding tax rates

<b>Nature of income</b>	<b>% rates payable</b>
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	22%
Non-resident professional	15% of gross or 22% of net

## Appendix B - Common verbs used by the Examiners

Verb	Description
<b>Calculate / Compute</b>	Do the number crunching and derive the correct answer. Make sure that you write down your workings and crosscheck your numbers.
<b>Explain</b>	<b>Explain</b> requires you to write at least several sentences conveying how you have <b>analysed</b> the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand.
<b>State</b>	<b>State</b> is similar to <b>list</b> , but the items require your professional judgement. For instance, " <b>State</b> any restrictions that apply". One of the easiest ways to make sure that you state comprehensively is to think, " <b>list and justify</b> ".
<b>With reference to</b>	This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, " <b>With reference to</b> relevant Singapore Financial Reporting Standards, <b>explain</b> the risk of material misstatements relating to ...". In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier ( <b>with reference to</b> 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks.