

**FOUNDATION QUALIFICATION**

**IN BUSINESS TAXATION**

**SAMPLE QUESTIONS**

**FA 2025**

## SBT01 – Tax year basis

### Question 1

Which, if either, of the following statements about the tax year basis are **true**?

1. The profits to be assessed in a tax year will be those that arise in the tax year.
2. If the period of account does not correspond with the tax year, the profits of the period of account ending in the tax year will be charged to tax.

- A ☐ Both 1 and 2
- B ☐ 1 only
- C ☐ 2 only
- D ☐ Neither 1 nor 2

## SBT02 - Business gifts

### Question 2

Nadia owns 'Sweet Cakes', a cake making business. She sent her largest client the following items:

	Cost per item
	£
Umbrella with 'Sweet Cakes' logo	20
A bottle of traditional lemonade with 'Sweet Cakes' logo on the label	10
A sample cupcake for a new product line with 'Sweet Cakes' written in icing on the top	5

How much is **allowable** for tax purposes when Nadia is calculating her taxable trade profits?

A ☐ £20

B ☐ £25

C ☐ £30

D ☐ £35

## SBT03 – Vehicles and CAs

### Question 3

Kate, who calculates taxable trade profits using the accruals basis, uses the following vehicles in her cleaning business:

1. A car with CO2 emissions of 40 g/km
2. A delivery van with CO2 emissions of 130 g/km

Expenditure on which, if either, of these vehicles is placed in the special rate pool?

- A** ☐ Both 1 and 2
- B** ☐ 1 only
- C** ☐ 2 only
- D** ☐ Neither 1 nor 2

## SBT04 – Integral features

### Question 4

Which **two** of the following statements about integral features for capital allowances purposes are **true**?

- A ☐ Integral features attract a writing down allowance of 6%
- B ☐ Integral features can enter either the general or special rate pool
- C ☐ Integral features are integral to a building
- D ☐ Integral features do not qualify for the Annual Investment Allowance

**SBT05 – FYA**

**Question 5**

Wai-Fung, who calculates taxable trade profits using the accruals basis, purchased new energy saving ventilation equipment for her sole trader business.

Which **two** of the following capital allowances are **available** for Wai-Fung's expenditure?

- A** ☐ A first year allowance of 100%
- B** ☐ An annual investment allowance of 100%
- C** ☐ A writing down allowance of 18%
- D** ☐ A writing down allowance of 6%

## SBT06 - Sole trader losses– What amount is a CF trading loss set against

### Question 6

Lauren has the following income from recent years:

	2025/26	2026/27
	£	£
Trading profit	-	15,000
Trading loss	(28,000)	-
Rental income	21,000	21,000

Lauren intends to carry forward the trading loss and use it in 2026/27.

What amount can Lauren set her trading loss against in 2026/27?

- A** ☐ Against £7,000 of the trading profits only
- B** ☐ Against the trading profits of £15,000 only
- C** ☐ Against the rental income of £21,000 only
- D** ☐ Against the total income of £36,000 (£15,000 + £21,000)

**SBT07 – Admin - return filing deadline + 3 month rule**

**Question 7**

Erik receives a notice to file a self-assessment tax return for 2025/26 on 31 December 2026.

By what date must Erik file the self-assessment tax return, assuming he intends to file **online**?

- A** ☐ 31 October 2026
- B** ☐ 31 January 2027
- C** ☐ 31 March 2027
- D** ☐ 31 January 2028



## SBT08 – Partnerships

### Question 8

Gita and Sunita have been in partnership for many years. Profits and losses are split 40:60 after a salary of £20,000 to Gita.

The taxable trade profits for the partnership for the year ended 31 March 2026 are £80,000.

What is Gita's share of the taxable trade profits?

**A** ☐ £32,000

**B** ☐ £44,000

**C** ☐ £52,000

**D** ☐ £56,000

## SBT09 – How to split different income in long POA

### Question 9

Where a company has a period of account for longer than 12 months, it must be split into two accounting periods (APs) for corporation tax purposes.

Which **two** of the following statements about how a company's income and expenditure are split between the two APs are **true**?

- A ☐ Tax adjusted trade profits (before capital allowances) are time apportioned between the two APs
- B ☐ Property business income is included in the AP in which it is received
- C ☐ Chargeable gains are included in the AP in which the disposal takes place
- D ☐ Qualifying charitable donations are time apportioned between the two APs

## SBT10 – CT – dividends & augmented profits

### Question 10

Dog Ltd had the following results for the year ended 31 March 2026:

	£
Trade profit	1,100,000
Non-trade profit (loan relationships)	300,000
Dividends received	200,000

The dividends received are from a 2% holding in Mud Ltd.

Which **one** of the following statements about Dog Ltd's corporation tax liability is **true**?

- A ☐ Corporation tax is due on the taxable total profits of £1,400,000
- B ☐ Corporation tax is due on the augmented profits of £1,400,000
- C ☐ Corporation tax is due on the taxable total profits of £1,600,000
- D ☐ Corporation tax is due on the augmented profits of £1,600,000

## SBT11 – Long POA – returns and tax payable

### Question 11

Payne plc prepared accounts for the 16 month period from 1 February 2024 to 31 May 2025.

This is split into two accounting periods (APs) for corporation tax purposes:

- Year ended 31 January 2025
- Four months ended 31 May 2025

Payne plc does not pay its corporation tax by instalments.

Which **two** of the following statements are **true**?

- A** ☐ The corporation tax returns for both APs are due on 31 January 2026
- B** ☐ The corporation tax returns for both APs are due on 31 May 2026
- C** ☐ The corporation tax payable is due 9 months and 1 day after each AP
- D** ☐ The corporation tax payable for both APs is due 9 months and 1 day after 31 May 2025

## SBT12 - CT instalments – dates for short CAP

### Question 12

Arryn Ltd, a large company that has paid its corporation tax by instalments for many years, prepared accounts for the five month period from 1 August 2025 to 31 December 2025. The company continues to be large for instalment payment purposes in this period.

On which **two** of the dates below are Arryn Ltd's instalment payments for corporation tax due?

- A ☐ 14 November 2025
- B ☐ 14 February 2026
- C ☐ 14 April 2026
- D ☐ 14 May 2026

## SBT13 - CT losses - loss carry back claim

### Question 13

Yellow Ltd had the following results:

	Y/e 31 March 2025 £	Y/e 31 March 2026 £
Trade profit	36,000	-
Trading loss	-	(45,000)
Property business income	14,000	15,000

How much loss relief can Yellow Ltd carry back to the prior year (ie year ended 31 March 2025)?

- A** ☐ £14,000 – set the loss against property business income only in the prior year
- B** ☐ £30,000 – set the loss against total profits in the current year first then against total profits in the prior year
- C** ☐ £36,000 – set the loss against trade profit only in the prior year
- D** ☐ £45,000 – set the loss against total profits in the prior year first

**SBT14 – SBAs – residential purpose**

**Question 14**

Expenditure on the construction of which **one** of the following does **not** qualify for the **Structures and Buildings Allowance**?

- A** ☐ Hotel
- B** ☐ Retail premises
- C** ☐ Student accommodation
- D** ☐ Care home

## SBT15 - VAT registration

### Question 15

Rihanna started in business as a personal chef on 1 April 2026, making taxable supplies of £16,000 each month.

By what date must Rihanna **notify** HMRC of her requirement to be registered for VAT?

- A ☐ 30 September 2026
- B ☐ 30 October 2026
- C ☐ 31 October 2026
- D ☐ 30 November 2026



## ANSWERS

Question	Answer(s)
1	B
2	B
3	D
4	A, C
5	B, D
6	B
7	C
8	B
9	A, C
10	A
11	B, C
12	B, C
13	B
14	C
15	B