

Tax Management Officer II written interview for the **Tanzania Revenue Authority (TRA):**

1. What is the primary function of the Tanzania Revenue Authority (TRA)?

- A) Issuing business licenses
 - B) Collecting revenue for the government
 - C) Providing legal services
 - D) Regulating foreign exchange
- Answer:** B) Collecting revenue for the government
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2. Which tax is deducted at the source before payment is made?

- A) Value Added Tax (VAT)
 - B) Withholding Tax
 - C) Excise Duty
 - D) Import Duty
- Answer:** B) Withholding Tax
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3. What does VAT stand for?

- A) Value Allocated Tax
 - B) Value Added Tax
 - C) Variable Added Tax
 - D) Verified Annual Tax
- Answer:** B) Value Added Tax
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4. What is the current standard VAT rate in Tanzania?

- A) 15%
 - B) 18%
 - C) 20%
 - D) 10%
- Answer:** B) 18%
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5. Which of the following taxes is levied on imported goods?

- A) Excise Duty
 - B) Import Duty
 - C) Capital Gains Tax
 - D) Stamp Duty
- Answer:** B) Import Duty
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6. Who is responsible for paying corporate tax?

- A) Sole proprietors
 - B) Companies and corporations
 - C) Government agencies
 - D) Non-profit organizations
- Answer:** B) Companies and corporations
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7. Which of the following is NOT a type of direct tax?

- A) Personal Income Tax
 - B) Corporate Tax
 - C) Value Added Tax
 - D) Withholding Tax
- Answer:** C) Value Added Tax
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8. What is the main purpose of taxation?

- A) To encourage borrowing
 - B) To finance government activities
 - C) To punish businesses
 - D) To reduce inflation
- Answer:** B) To finance government activities
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9. Which of the following is an indirect tax?

- A) PAYE
 - B) Corporate Tax
 - C) Value Added Tax
 - D) Income Tax
- Answer:** C) Value Added Tax

10. Who appoints the Commissioner General of TRA?

- A) The President
- B) The Prime Minister
- C) The Minister of Finance
- D) The Governor of the Bank of Tanzania

Answer: A) The President

11. What is the threshold for VAT registration in Tanzania?

- A) TZS 50 million
- B) TZS 100 million
- C) TZS 200 million
- D) TZS 500 million

Answer: B) TZS 100 million

12. What does PAYE stand for?

- A) Personal Annual Yield Earnings
- B) Pay As You Earn
- C) Payment of Annual Earnings
- D) Pay After Year-end

Answer: B) Pay As You Earn

13. What is the deadline for submitting VAT returns in Tanzania?

- A) 20th of the following month
- B) 15th of the following month
- C) 30th of the following month
- D) 5th of the following month

Answer: A) 20th of the following month

14. Which authority is responsible for administering tax laws in Tanzania?

- A) Bank of Tanzania
- B) Tanzania Revenue Authority

- C) Ministry of Finance
 - D) Tanzania Bureau of Standards
- Answer:** B) Tanzania Revenue Authority
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15. What is the penalty for late tax payment in Tanzania?

- A) 5% of the unpaid tax
 - B) 1% per month on the unpaid tax
 - C) No penalty
 - D) 10% flat rate
- Answer:** B) 1% per month on the unpaid tax
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16. What does EFD stand for in tax compliance?

- A) Electronic Fiscal Device
 - B) Economic Fiscal Declaration
 - C) Expenditure Financial Document
 - D) Electronic Fund Deposit
- Answer:** A) Electronic Fiscal Device
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17. What is the corporate tax rate in Tanzania?

- A) 25%
 - B) 30%
 - C) 35%
 - D) 40%
- Answer:** B) 30%
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18. Who is required to file tax returns?

- A) All registered taxpayers
 - B) Only large businesses
 - C) Only individuals earning above TZS 10 million
 - D) Only government employees
- Answer:** A) All registered taxpayers
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19. What is a tax audit?

- A) Checking a taxpayer's financial records for compliance
- B) Giving tax exemptions
- C) Reducing tax liability
- D) Paying taxes online

Answer: A) Checking a taxpayer's financial records for compliance

20. What is the fiscal year in Tanzania?

- A) January to December
- B) July to June
- C) April to March
- D) October to September

Answer: B) July to June

21. What is an Excise Duty tax?

- A) Tax on luxury goods
- B) Tax on exported goods
- C) Tax on small businesses
- D) Tax on income

Answer: A) Tax on luxury goods

22. What is the purpose of a Tax Identification Number (TIN)?

- A) To track taxpayers
- B) To collect bank details
- C) To replace passports
- D) To monitor salaries

Answer: A) To track taxpayers

23. Who collects customs duties in Tanzania?

- A) TRA
- B) Bank of Tanzania
- C) Ministry of Finance

D) Tanzania Ports Authority

Answer: A) TRA

24. What is the main characteristic of a progressive tax system?

A) Higher income earners pay more tax

B) Equal tax for everyone

C) No tax on businesses

D) Taxes are voluntary

Answer: A) Higher income earners pay more tax

25. What is capital gains tax levied on?

A) Profits from selling assets

B) Salaries

C) Import goods

D) Bank transactions

Answer: A) Profits from selling assets

Here are the **remaining 26 multiple-choice questions (26-50) with answers** to complete the set of 50:

26. What is the difference between tax evasion and tax avoidance?

A) Tax evasion is legal, while tax avoidance is illegal

B) Tax avoidance is legal, while tax evasion is illegal

C) Both are legal methods of reducing tax

D) Both are illegal practices

Answer: B) Tax avoidance is legal, while tax evasion is illegal

27. What is the minimum threshold for individuals to be liable for income tax in Tanzania?

A) TZS 1,000,000

B) TZS 3,240,000

C) TZS 5,500,000

D) TZS 10,000,000

Answer: B) TZS 3,240,000

28. What is the role of the Tanzania Revenue Authority (TRA) in economic growth?

- A) Controlling inflation
- B) Mobilizing revenue for public services
- C) Setting monetary policies
- D) Regulating labor markets

Answer: B) Mobilizing revenue for public services

29. Which tax is charged on profits made from selling a business asset?

- A) Capital Gains Tax
- B) Corporate Tax
- C) Import Duty
- D) Value Added Tax

Answer: A) Capital Gains Tax

30. What is the penalty for failing to register for VAT when required?

- A) 5% of turnover
- B) 10% of turnover
- C) TZS 1,000,000 fine
- D) TZS 3,000,000 fine or imprisonment

Answer: D) TZS 3,000,000 fine or imprisonment

31. What is the main purpose of customs duty?

- A) To control illegal trade
- B) To protect local industries and generate revenue
- C) To regulate income taxes
- D) To encourage foreign investment

Answer: B) To protect local industries and generate revenue

32. What does the term "zero-rated supplies" mean in VAT?

- A) Tax-exempted goods and services
- B) Goods taxed at a 0% VAT rate but still claimable for input VAT
- C) Goods taxed at the highest VAT rate
- D) Luxury goods taxed at a higher rate

Answer: B) Goods taxed at a 0% VAT rate but still claimable for input VAT

33. What is the primary function of an Electronic Fiscal Device (EFD)?

- A) Controlling government spending
- B) Ensuring accurate tax reporting by businesses
- C) Regulating bank transactions
- D) Reducing import duties

Answer: B) Ensuring accurate tax reporting by businesses

34. What is the purpose of the PAYE system?

- A) To collect corporate taxes
- B) To collect employee income tax from salaries
- C) To regulate VAT collection
- D) To tax foreign investors

Answer: B) To collect employee income tax from salaries

35. How often should businesses file VAT returns in Tanzania?

- A) Weekly
- B) Monthly
- C) Quarterly
- D) Annually

Answer: B) Monthly

36. What is the minimum penalty for late submission of tax returns?

- A) 2% of tax due
- B) 5% of tax due
- C) 10% of tax due

D) 20% of tax due

Answer: B) 5% of tax due

37. What does a Double Taxation Agreement (DTA) prevent?

A) Being taxed twice on the same income in different countries

B) Tax evasion by multinational companies

C) The need for businesses to pay VAT

D) Withholding tax on local businesses

Answer: A) Being taxed twice on the same income in different countries

38. What is an input VAT claim?

A) VAT paid on purchases that businesses can deduct

B) VAT paid on exports

C) VAT paid on sales transactions

D) VAT refund for individuals

Answer: A) VAT paid on purchases that businesses can deduct

39. What is the main purpose of presumptive tax?

A) To tax large corporations

B) To tax small businesses with low turnover

C) To reduce PAYE tax

D) To replace VAT

Answer: B) To tax small businesses with low turnover

40. What is the maximum period for keeping tax records for audit purposes?

A) 3 years

B) 5 years

C) 7 years

D) 10 years

Answer: B) 5 years

41. Who is responsible for customs duty collection in Tanzania?

- A) Ministry of Finance
- B) Tanzania Revenue Authority (TRA)
- C) Bank of Tanzania
- D) Tanzania Bureau of Standards

Answer: B) Tanzania Revenue Authority (TRA)

42. What is the VAT rate on exported goods in Tanzania?

- A) 0%
- B) 5%
- C) 10%
- D) 18%

Answer: A) 0%

43. What is the purpose of withholding tax?

- A) To collect tax at the point of transaction
- B) To replace VAT
- C) To tax small businesses
- D) To reduce corporate tax

Answer: A) To collect tax at the point of transaction

44. What does transfer pricing refer to?

- A) Pricing of goods between related companies to shift profits
- B) Import duties on foreign goods
- C) Export tax rates
- D) Employee salary structuring

Answer: A) Pricing of goods between related companies to shift profits

45. Which tax is paid by tenants on rental properties?

- A) Stamp Duty
- B) Withholding Tax
- C) Rental Income Tax

D) VAT

Answer: C) Rental Income Tax

46. What is the main purpose of a customs valuation?

A) Determining the correct amount of tax on imported goods

B) Taxing employees

C) Reducing business costs

D) Setting government budgets

Answer: A) Determining the correct amount of tax on imported goods

47. Which tax is imposed on the sale of alcohol and cigarettes?

A) Value Added Tax

B) Excise Duty

C) Import Duty

D) Income Tax

Answer: B) Excise Duty

48. What is the role of tax incentives?

A) To encourage investment and economic growth

B) To replace corporate tax

C) To punish non-compliant businesses

D) To reduce PAYE obligations

Answer: A) To encourage investment and economic growth

49. Which form of tax applies to gambling and betting activities?

A) Capital Gains Tax

B) Excise Duty

C) Gaming Tax

D) VAT

Answer: C) Gaming Tax

50. What is the penalty for tax fraud in Tanzania?

- A) A fine of up to TZS 10 million or imprisonment
- B) No penalty
- C) Automatic tax exemption
- D) A warning letter

Answer: A) A fine of up to TZS 10 million or imprisonment

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