



ACTION BASED ACTIVITIES

TOPIC N2.2 : TAX

THEME N2 ECONOMIC ACTIVITY



APPLICATION OF NUMBER

LEVELS 1 & 2

ISSUED SEPTEMBER 2005

INSTRUCTIONS

WHAT DO I DO?

Use this Theme Template to help you:

- plan an Action-based Activity on the theme of Economic Activity
- carry out an investigation into the subject
- produce evidence needed for your portfolio.

NOTE: Use this booklet WITH your Learner's Planner and Guide.

WHAT IS ASSESSED?

Economic Activity is one of six themes you can choose for your Action-based Activity/portfolio work. It includes topics such as:

N2.1 Shopping

N2.2 TAX

N2.3 Buying a Car

APPLICATION OF NUMBER

TOPIC N2.2: TAX

TOPIC N2.2 TAX

Whether we enjoy it or not, tax is something that we all have to pay and understand. It is also a big subject and you will need to narrow it down so that you investigate an aspect that interests you. This guide will take you step by step from getting started, to writing and checking your final pieces of work. Each step follows Part Two of your *Learner's Planner & Guide*, so read it alongside this Theme Template.



It's a good idea to follow this advice.



You must do this to get the qualification.



**STEP
A**



CHOOSING A TOPIC

One of the best ways to start thinking about a subject is to *mindmap*. You can find how to do this on page 5 of the *Learner's Planner & Guide*.

TASK 1

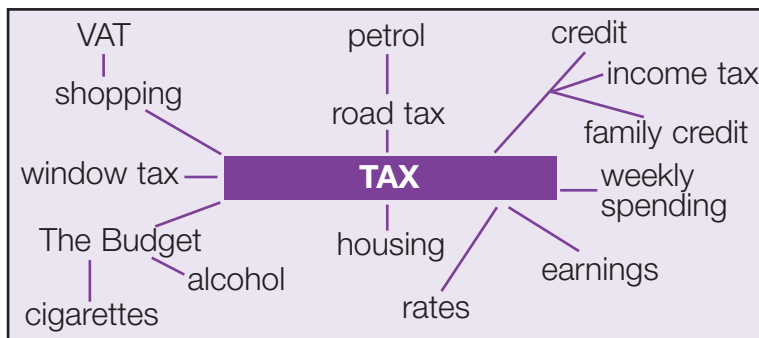
Allow about
20 minutes

On your own, or with a colleague, think about and talk about "Tax" and aspects of it you might like to study.

Work together to make a **mindmap** of the subject. You may want to think about:

- the different types of tax that we pay
- how the level of tax affects what we do (taxes on petrol , airports, cigarettes etc.)
- the rates and whether it is a fair way of raising taxes
- the amount we pay in VAT and whether it is too high
- whether high earners should pay even more tax.

PORTFOLIO EVIDENCE – You could copy and add to the unfinished example below. This could then go into your portfolio as evidence that you have thought about your chosen subject.



ESSENTIAL SKILLS
ACTION BASED ACTIVITIES



Continued

TASK 2
Allow about
15 minutes

When you have made your mindmap, focus in on one or two ideas that:

- interest you
- will be easy to research and get information about (talk to your tutor if you are unsure).

Write these ideas down and then try to turn them into **QUESTIONS**. This will help when you write up your conclusions later. The examples in the box may help you do this.



Topic : Tax

Original Idea	Question
Rates	Should the “rates” be abolished?
Income Tax	Where does all the tax we pay go – how does the government spend it?
VAT	Is VAT a fair way of taxing people?
Tax and low income	Should people on low incomes pay less tax so they can have a decent standard of living?

TASK 3
Allow about
10 minutes

In your portfolio, write down your chosen title/question.

Check with your tutor that it is okay. (Remember, you can always change it later if necessary.)

TASK 4
Allow about
30 minutes

PLAN – It’s a good idea next to draw up a plan of action. Make a table and on it write down what you intend to do and when you will do it by. Highlight key dates and deadlines (e.g. when you are carrying out a survey or presenting your findings).



APPLICATION OF NUMBER

TOPIC N2.2: TAX



CHOOSING & INTERPRETING INFORMATION

Interpreting information from suitable sources is an essential part of the qualification and you must be able to show that you have collected, read and extracted information from **DIFFERENT** sources.

There are lots of ways of finding information on such as:

- books in the library
- magazines and newspapers
- using the Internet
- talking and interviewing people
- visiting the local tax office of Citizens Advice Bureau.

TASK 5

Allow about
2-3 hours

Look for suitable documents to read. Remember:

- at **both levels 1 and 2** you must use **TWO** different sources of information.
- overall **at level 1** at least one source must include a table, chart, graph or diagram
- **at level 2** at least one source must include material containing a chart or a graph.

You will need to make careful notes as you work.

Put these in your portfolio (see also pages 8 and 9 in the *Learner's Planner & Guide*).



Topic: "Rates and allowances – Income Tax"

Title of document: "Rates and allowances – Income Tax"

Author: *Inland Revenue*

Website: <http://www.inlandrevenue.gov.uk/rates/it.com>

Main points in the report

1. A person is entitled to an allowance against tax, according to their circumstances.
2. The rates tax that people pay varies according to earnings.
3. People in the highest tax bracket pay 40% of their earnings as tax.

Summary: You will then need to write down in your own words what you have read.

This is a main piece of evidence.



ASSESSMENT Your tutor will assess that:

- you have chosen the information you need
- you have obtained the information needed
- you have identified the best methods to get the results you need.

Remember to label sources clearly.



CARRY OUT AND CHECK CALCULATIONS

Carrying out and checking calculations is an essential part of the qualification. At each level you are required to carry out calculations to do with:

a. amounts/sizes	3	3
b. scales/proportion	3	3
c. handling statistics.	3	3
d. using formulae		3

It may be difficult to cover all the required calculations for this topic (See *Learner's Planner & Guide*, page 10).

TASK 6

Allow about 1 hour

1. Carry out calculations. You will need to:

- pick out the data/information you think will be useful
- decide on the calculations you need to find the results you want
- show calculation methods clearly
- check calculations and correct any errors

At Level 2 calculations must involve two or more steps

Talk this over with your tutor if you are at all unsure. A few ideas are given below.



CARRYING OUT AND CHECKING CALCULATIONS

Examples – Carrying out and checking calculations

At level 1:

- you might use information collected first hand as the basis of calculations (e.g. calculating how much tax is paid by someone earning £15,000 per year and someone earning £100,000 per year). You would need to use data from a secondary source such as the Inland Revenue document referred to above (task 5).

At level 2:

- your calculations will be more complex, perhaps comparing several incomes and working out the amounts left over after tax and basic living costs have been paid.



ASSESSMENT Your tutor will assess:

- how well you carried out your calculations (including your working)
- that you checked your methods
- that you spotted and corrected any errors
- that your results make sense.

**STEP
D**



INTERPRETING RESULTS & PRESENTING FINDINGS

Having collected, sorted, extracted data and carried out calculations based on them, you are now ready to interpret your findings.

TASK 7

Allow about
3 hours

1. Go through all the information you have collected and sort it out carefully. Keep only relevant information and make sure EVERYTHING is properly labelled.
2. Now sift through again and, on notepaper, write down your main findings and conclusions. Remember, your first question (Task1)? Can you now answer your question?
3. Think how you will present your information.

Remember:

- At level 1 you have to present it in **two** different ways using charts or diagrams
- At level 2 you need to present it in **two** different ways using graphs, charts or diagrams.

Other points to consider:

- Which graphs, charts or diagrams will you use to present you findings?
- How do the results of your calculations relate to the purpose of the action-based activity?

(See Learner's Planner and Guide page 12)

TASK 8

Allow about
3 hours



At this stage you will be required to present your findings to a tutor or supervisor. Before you hand your work in, check that:

- you have covered all requirements intended
- that each section has suitable headings/labelling
- that diagrams, charts, maps etc are properly labelled
- pages are numbered
- there is a contents page.

N.B. There is a checklist on page 14 of the Learner's Planner and Guide



It is a good idea to produce a draft plan/outline of what you will include in your final presentation. An example is given on the next page.

STEP
D



INTERPRETING RESULTS & PRESENTING FINDINGS
continued

EXAMPLE OF A DRAFT PRESENTATION PLAN

Topic: What is the money from my council tax used for?

1. I will present my work as a **short report** (computer typed and to include graphs, tables etc) with the sections below.
2. **Introduction** – will include what I wanted to find out and why.
3. **Method** – a short section saying how I set about collecting data/information e.g. collected information leaflets from the local council office; used the Internet to find additional facts and figures, interviewed 15 people to see how much they knew about where their council tax went.
4. **Calculations and Interpretation** – I will include how I extracted information from the data collected; how I worked out averages; analysis of results of interviews with people.
5. **Presentation** – I will use written information and diagrams – mainly tables, graphs and pie charts.
6. **Appendices** – to include some photocopied data from the Internet and the council, copy of questionnaire used to interview people.

I must remember to number pages and add a Contents page.



ASSESSMENT Your tutor will assess your work as follows:

At level 1 you will be assessed on:

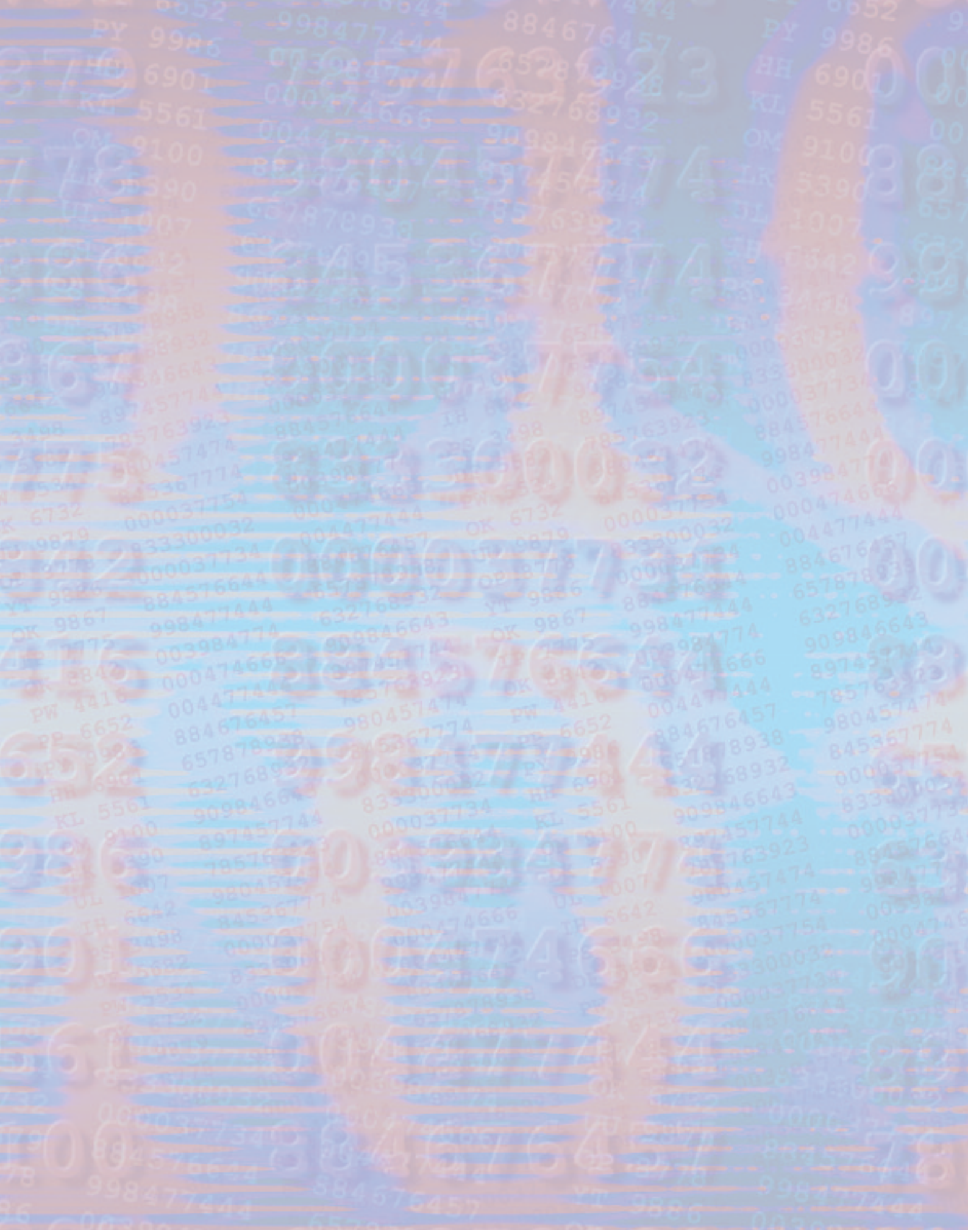
- how you have interpreted the results of calculations
- suitable choice of chart or diagram with appropriate labels and correct use of units
- how you have explained what the chart or diagrams show.

Additionally **at level 2** you will be expected to:

- describe the methods you have used
- explain the results of calculations in terms of how they meet the purpose of your chosen Activity.

**TAX****MORE ACTION-BASED ACTIVITY IDEAS**

1. Carry out a survey to discover how much people know about taxation. The data collected can then be collated, analysed and presented in graphs etc.
2. Take a particular product such as beer, cigarettes, and petrol and investigate how it has been taxed over the past 20 years. Survey people to find out how they feel about this – collate and report findings.
3. Investigate one form of taxation in detail e.g. VAT; income tax; local rates.
4. Analyse your household's shopping basket for a week and how much of it was spent in tax.
5. Investigate the Chancellor of the Exchequer's last Budget.
6. Investigate tax in another country and then compare with Northern Ireland.
7. Research the history of taxation over the past 100 years. Find out how what taxes were paid and what the money raised was spent on by government.
8. Work out how much you would spend in tax on a new car during an average year. Include tax on the purchase, road tax and running costs.
9. Investigate job prospects in the tax field. Include what you might earn and calculate how much you may have to spend in tax!
10. Get hold of a company's annual report (every company must publish one by law) and analyse its annual turnover, profits and tax.
11. Find out about so called "tax havens" – where they are and how much can be saved by using them.



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