

READING**Part 5 Incomplete Sentences**

Choose the word that best completes the sentence.

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| <p>10. According to my _____, we owe a lot of money in taxes this year.
 (A) calculations (C) calculators
 (B) calculated (D) calculate</p> <p>11. Those _____ on my desk contain all the information we'll need for preparing our taxes.
 (A) filed (C) file
 (B) files (D) filing</p> <p>12. It is usually advantageous for spouses to file their income taxes _____.
 (A) joints (C) joint
 (B) jointly (D) jointed</p> | <p>13. We didn't know we had to claim the interest from our savings account and were _____ for the error.
 (A) penalize (C) penalty
 (B) penalizing (D) penalized</p> <p>14. The _____ of the forms took much less time than we expected.
 (A) preparatory (C) prepared
 (B) preparation (D) prepares</p> <p>15. I didn't overpay my taxes this year so I didn't get a _____.
 (A) refunded (C) refund
 (B) refundable (D) refunds</p> |
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Part 6 Text Completion**Smith & Johnson****Tax Preparation**

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| <p>16. (A) Prepare
 (B) To prepare
 (C) Preparing
 (D) Preparation</p> <p>17. (A) in
 (B) up
 (C) out
 (D) through</p> | <p>18. (A) pennants
 (B) penalties
 (C) penumbras
 (D) peninsulas</p> |
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Part 7 Reading Comprehension

Questions 19–23 refer to the following letter.

April 1, 20—

Mr. Roger Earnshaw
2943 Northern Boulevard
New Orange, NH

Dear Mr. Earnshaw,

Enclosed are your completed tax forms, which I have prepared for you at your request. I am sorry to report that you will not receive the \$500 refund that you expected. Instead, my calculations show that you owe \$450 in taxes, as well as an additional penalty of \$45 for underpayment of taxes. The reason for this is that you and your spouse have chosen not to file your taxes jointly this year. You may want to reconsider this for the future since, as you can see, it is more costly for married couples to file separately. If you and your spouse wish to continue to file separately, you may want to ask your employer to withhold a greater amount from your paychecks so that you don't end up owing money again next year. This will be even more important if you get the salary increase that you have been hoping for.

Write out a check for the taxes that you still owe and the penalty and mail it together with your tax forms before the April 15 deadline. Please let me know if I can be of any further assistance.

Sincerely,

Kathleen O'Hara
CPA

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| <p>19. Who wrote the letter?</p> <p>(A) A tax agent.
(B) A tax preparer.
(C) Mr. Earnshaw's spouse.
(D) Mr. Earnshaw's employer.</p> | <p>22. The word <i>jointly</i> in line 4 is closest in meaning to</p> <p>(A) together
(B) apart
(C) on time
(D) finally</p> |
| <p>20. What is the total amount that Mr. Earnshaw owes?</p> <p>(A) \$45.
(B) \$450.
(C) \$495.
(D) \$500.</p> | <p>23. The word <i>deadline</i> in line 9 is closest in meaning to</p> <p>(A) holiday
(B) schedule
(C) anniversary
(D) due date</p> |
| <p>21. What does Ms. O'Hara recommend to Mr. Earnshaw to improve his tax situation?</p> <p>(A) Get married.
(B) File separately.
(C) Ask for a salary increase.
(D) Withhold more from his checks.</p> | |