Answers

a)

Pre-tax income	*650.000*
Tax adjustment:	
Non-taxable income	*(65.000)*
Non-deductible expense	*5.000*
Taxable income before NOL	*590.000*
NOL from 2012	*(40.000)*
Adjusted taxable income	*550.000*
Tax expense (@ 30%)	*165.000*

ETR = 165.000 / 650.000 = 25.38%

b) It allows us to understand how effectively a firm utilizes existing tax benefits in tax system. Having too low ETR compared to the normal range of statutory tax rate suggests that the firm's tax planning and strategies are done aggressively.