



UNIVERSITY OF THE PUNJAB

Third Semester – 2019

Examination: B.S. 4 Years Program

Roll No. in Fig.

Roll No. in Words.

PAPER: Income Tax Law

MAX. TIME: 15 Min.

Course Code: COMM-203/COM-21358 Part-I(Compulsory)

MAX. MARKS: 10

Signature of Supdt.:

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer, cutting and overwriting is not allowed. (1x10=10)

- i. On 14th August, Pakistan Government adopted the Income Tax Act
 - a) 1918
 - b) 1921
 - c) 1922
 - d) 1944
- ii. Which one of the following includes Agricultural Income
 - a) Income from fisheries
 - b) Land revenue assigned to jagirdar
 - c) Income from flour mill
 - d) Income from markets
- iii. Personal insurance premium expenses incurred by taxpayer are entitled for
 - a) Rebate at an average rate of tax
 - b) Deduction from tax
 - c) Deduction from total income
 - d) None of the above
- iv. Property income includes
 - a) Profit on sale of property
 - b) Rent chargeable to tax of property let out
 - c) Annual letting value of property self-occupied
 - d) None of the above
- v. Return of income u/s 114 shall be furnished by companies with tax year ending on or between 1st day of January and 30th day of June by
 - a) 30th June
 - b) 30th September
 - c) 31st August
 - d) 31st December
- vi. The following percentage of total income of individual is allowed as donations to approved charitable institutions u/s 61.
 - a. 20%
 - b. 30%
 - c. 40%
- vii. Personal legal expenses incurred by individual taxpayer, are entitled for:
 - a. Rebate at an average rate of tax
 - b. Deduction from tax
 - c. None of the above
- viii. Advance rent un-adjustable is included in Rental Value of Property upto:
 - a. 1/4th
 - b. 1/5th
 - c. 1/10th
- ix. A person is known as salary person when his/her income
 - a. Less than 50% from taxable income
 - b. Equal to 50% from taxable income
 - c. More than 50% from taxable income
- x. Narrate the following abbreviations
 - a. FBR _____
 - b. NTN _____
 - c. MTS _____
 - d. CNIC _____



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PAPER: Income Tax Law

Course Code: COMM-203/COM-21358 Part – II

MAX. TIME: 2 Hrs. 45 Min.

MAX. MARKS: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q.2. Questions with short answers.

(5 x 4 = 20)

- Define the term "Taxpayer" with reference to Income Tax Ordinance 2001
- Explain the legal provisions regarding exemption of "Profit on Debt" under Income Tax Ordinance 2001.
- Briefly elaborate the feature of appeal to Appellate Tribunal
- Explain the conditions and rates regarding "initial depreciation"

Q.3. Questions with brief answers.

(2 x 15 = 30)

Q. No. 03: From the following data, calculate the tax payable by Mr. Gulraiz for the year ended 30th June 2018

- Basic Salary Rs. 42,000 p.m.
- Bonus for the year Rs. 5000.
- Conveyance allowance Rs. 4,000.
- Income from fish catching business Rs. 20,000
- Special allowance Rs. 12,000.
- Cost of motor vehicle Rs. 500,000. Vehicle provided by employer for both purposes.
- Accommodation provided in big city by the employer. Rent entitlement Rs 220,000.
- Contribution to recognized provident fund by employee Rs. 35,000
- Contribution to recognized provident fund by employer Rs. 35,000
- Interest received on accumulate balance @ 20% Rs. 20,000.
- Zakat paid under Zakat Ordinance during the year Rs. 20,000.
- Agricultural income Rs. 80,000
- Qualification allowance Rs. 15,000
- Tax deducted at source from salary Rs. 20,000.
- Donation to University of Sahiwal amounted to Rs. 25,000.
- Property income Rs. 320,000
- Prize on prize bond Rs. 50,000

Extract of Rates of Tax for salaried persons for Tax Year 2018

1.	Upto Rs. 400,000	Nil
2.	Rs. 400,001 to Rs. 500,000	2% of the amount exceeding Rs. 400,000
3.	Rs. 500,001 to 750,000	Rs. 2,000 + 5 % of the amount exceeding Rs. 500,000
4.	Rs. 750,001 to 1400,000	Rs. 14,500 + 10 % of the amount exceeding Rs. 750,000

Extract of income tax rates for separate block of property income for tax year 2018

1.	Upto Rs. 200,000	Nil
2.	Rs. 200,001 to Rs. 600,000	5% of the amount exceeding Rs. 200,000

Q.No. 04: Why is the distinction between capital and revenue important from income tax viewpoint? Briefly explain six tests for differentiating capital and revenue receipts.