



THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answers the following short questions: (6x5=30)

- A) Company
- B) What are legal provision governing the Residential status of Individual, AOP and Company
- C) Greenfield Industrial Undertaking
- D) Eligible person
- E) Discuss the legal provisions governing the exemption of pensions
- F) Discuss the legal provisions governing the exemption of private sector power projects.

Answers the following questions. (3x10=30)

Q.2 Discuss the power and functions of Chief Commissioner Inland Revenue.

Q.3 Briefly explain the legal provisions governing the filing of return of total income under the income tax law.

Q # 4 From the following particulars of Mr. Naveed Ehsan for the year ended 30th June 2021, Calculate taxable income and tax payable by him.

Basic salary (Rs 45000-2000-75000)	Rs 62000 per month
Special pay	5000 per month
Bonus for the year	23000
Special additional allowance	2000 per month
Travelling allowance	12000
Conveyance allowance	4000 per month
Medical allowance	4800 per month
Free provision of gas and electricity	29000
Agricultural income	300000
Leave encashment during the year	150000
Zakat deducted	80000
Tax paid by the employer	20000
Dividend income	35000
Free coupon for family dinner	50000
Purchase of air ticket	160000
Purchase of shares of public company	130000
Donation to Punjab University	60000

Notes:

1. Mr. Naveed Ehsan is provided a car by the employer for personal & official purposes. The car was purchased at a cost of Rs 1700000 by employer.
2. Mr. Naveed Ehsan contributed Rs. 45000 to recognized provident fund. Equal amount is contributed by employer. Interest credited on recognized provident fund Rs. 13000 @ 12% per annum
3. A refrigerator has also been provided by the employer only for the use of employee costing Rs 140000, on which the employer charged depreciation @16% p.a.
4. He is also provided a rent free accommodation by her employer.
5. During the year he has also received a loan of Rs 1300000 at the rate of 6% p.a.
6. Withholding tax paid on purchase of the air ticket Rs 9000.
7. Gain on sale of shares of private company Rs 50000. Holding period is more than 12 months.
8. Education expenses of his two children Rs 45000 each paid by his employer

Tax Rates for Individual Salaried Persons- Tax year 2021

Sr. #	Taxable Income	Rate of Tax
1	Up to Rs 600000	0%
2	Exceeds Rs 600000 and up to Rs 1200000	5% of amount exceeds Rs 600000
3	Exceeds Rs 1200000 and up to Rs 1800000	Rs 30000+ 10% of amount exceeds Rs 1200000
4	Exceeds Rs 1800000 and up to Rs 2500000	Rs 90000+ 15% of amount exceeds Rs 1800000
5	Exceeds Rs 2500000 and up to Rs 3500000	Rs 195000+ 17.5% of amount exceeds Rs 2500000
6	Exceeds Rs 3500000 and up to Rs 5000000	Rs 370000+ 20% of amount exceeds Rs 3500000

Tax Rates for Individual Non-Salaried Persons- Tax year 2021

Sr. #	Taxable Income	Rate of Tax
1	Up to Rs 400000	0%
2	Exceeds Rs 400000 and up to Rs 600000	5% of amount exceeds Rs 400000
3	Exceeds Rs 600000 and up to Rs 1200000	Rs 10000+ 10% of amount exceeds Rs 600000
4	Exceeds Rs 1200000 and up to Rs 2400000	Rs 70000+ 15% of amount exceeds Rs 1200000
5	Exceeds Rs 2400000 and up to Rs 3000000	Rs 250000+ 20% of amount exceeds Rs 2400000
6	Exceeds Rs 3000000 and up to Rs 4000000	Rs 370000+ 25% of amount exceeds Rs 3000000