



UNIVERSITY OF THE PUNJAB

Associate Degree in Commerce Part-II Annual Exam – 2022

Roll No.

Subject: Business Taxation

Paper: BC-405

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory.
All questions carry equal marks.

Q.1: Define and explain the following terms with reference to Income Tax ordinance 2001.

- a) Profit on debt b) Capital asset c) Income d) Resident Individual

Q.2: Discuss the legal provisions regarding Exemption of the following under the Income Tax Ordinance 2001:

- a) Amount of gratuity b) Pensions
c) Income of Governments d) Export of computer software

Q.3: What are the various types of perquisites and allowances enjoyed by salaried individual.

Q.4: Briefly explain the legal provisions governing the filling of return of total income under the Income Tax Law.

Q.5: Discuss legal provisions governing the filling of an appeal to the Appellate Tribunal.

Q.6: Define and explain the following terms with reference to Sales Tax Act 1990.

- a) Appellate Tribunal b) Input Tax c) Tax Fraud d) Time of Supply

Q.7: Mr. Khurram is a registered manufacturer. Data regarding his business for the month of August 2021 is as following

1) Total Turnover during the month	Rs. 35,00,000
2) Sales include exports goods supplies	Rs. 400,000
3) Sales include zero rated supplies	Rs. 300,000
4) Sales to non-registered retailers	Rs. 180,000
5) Taxable supplies @ 15% discount (normal business practice)	Rs. 70,000
6) Supplies to consumer on installment basis (Open market price Rs. 2,50,000)	Rs. 280,000
7) Exempted supplies	Rs. 100,000
8) Sales against international tender	Rs. 400,000
9) Purchase taxable goods	Rs. 800,000
(Purchases include Rs. 6,50,000 in respect of which tax invoices are available)	
10) Purchases of dairies and calendar for customers	Rs. 70,000
11) Purchases of electronic cash register	Rs. 150,000
12) Purchase from registered person (blacklisted during the period)	Rs. 140,000
13) Input tax on lunch provided to staff	Rs. 75,000
14) Goods imported	Rs. 950,000
15) Sales tax paid on telephone bill	Rs. 50,000
16) Stock of unsold goods (purchased at the time of filing month return)	Rs. 130,000

Required: Calculate sales tax payable in case National Tax Number is printed on bill.

Q.8: Mr. Raahim resident of Pakistan, supplies the following information for the tax year ended on 30th June 2021:

1) Basic Salary	Rs. 750,000
2) Cost living allowance	Rs. 250,000
3) Special relief Allowance	Rs. 58,000
4) Medical facility (under terms of employment)	Rs. 75,000
5) Conveyance Allowance	Rs. 150,000
6) Loan obtained from employer @12%	Rs. 10,45,000
7) Foreign source of business loss	Rs.350,000
8) Rent from a house let out Rs. 20,000 p.m. repair charges	Rs. 30,000
9) Income from private business during the year	Rs. 55,000
10) Un-adjustable (c/f) business loss of previous year	Rs.40,000
11) Donations to government hospital through cheque	Rs. 150,000
12) Donation to government educational institution in cash	Rs. 1,00,000
13) Gain on sale of immovable property (holding period more than three years)	Rs. 120,000
14) Tax deducted at source by the employer	Rs. 7,000
15) Capital gain on sale of shares of private limited company (Disposed off after 12 months)	Rs. 44,000
16) Profit on sale of personal car	Rs. 18,500
17) Life insurance premium paid by the employee	Rs. 20,000
18) Income from sublease of property	Rs. 75,000

Required:- Calculate taxable income and tax payable if rent free furnished accommodation is provided in Lahore.

Sr #	Taxable Income	Rate of Tax
1	Where the taxable income exceeds Rs. 600,000 but does not exceed Rs. 12,00,000	5% of amount exceeding Rs. 600,000
2	Where the taxable income exceeds Rs. 12,00,000 but does not exceed Rs. 18,00,000	Rs. 30,000 + 10% of the amount exceeding Rs. 12,00,000
3	Where the taxable income exceeds Rs. 18,00,000 but does not exceed Rs. 25,00,000	Rs. 90,000 + 15% of the amount exceeding Rs. 18,00,000



UNIVERSITY OF THE PUNJAB

PART – II A/14
Examination:- B. Com.

Roll No.

Subject: Business Taxation
PAPER: BC-405

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

Attempt any FIVE question including Question No. 8, which is compulsory.
All questions carry equal marks

- Q.1.** Define and explain the following terms with reference to Income Tax Ordinance 2001.
- | | |
|----------------------|---------------------------|
| a) Income | b) Industrial undertaking |
| c) Principal officer | d) Tax year |
- Q.2.** What is meant by Agricultural Income? Is it taxable in Pakistan? Give at least six examples of agricultural income and non-agricultural income.
- Q.3.** Discuss in detail the tax treatment under the Income Tax Ordinance 2001, for the following facilities provided by employer to the employee's:
- | |
|---|
| a) Accommodation |
| b) Conveyance |
| c) Loan to employee's |
| d) Medical, hospitalization fees and expenses |
- Q.4.**
- | |
|---|
| a) What do you mean by "Rent Chargeable to tax?" |
| b) List down income from property exempt from tax |
| c) List down income from property not taxable under section 15. |
- Q.5.** Explain in detail the provisions of Income Tax Ordinance 2001, in respect of appeal to Appellate Tribunal and the Composition of the Appellate Tribunal.
- Q.6.** Define and explain the following terms under the Sales Tax Act, 1990:
- | | |
|---------------------|-------------------|
| a) Arrears | b) Manufacture |
| c) Taxable activity | d) Time of supply |
- Q.7.** From the following data of Mr. Mubarik, a registered manufacturer of goods, calculate his liability of sales tax for August 2013:
- | | |
|--|---------------|
| 1. Sales to registered persons | Rs. 51,00,000 |
| 2. Supplies to DTRE registered person | 2,00,000 |
| 3. Export sales | 4,50,000 |
| 4. Sales to wholesalers | 3,00,000 |
| 5. Sales tax debit | 70,000 |
| 6. Supplies made for personal use (inclusive of sales tax) | 1,00,000 |
| 7. Supplies donated to charitable institution | 3,50,000 |
| 8. Taxable purchases from registered person | 4,00,000 |
| 9. Imported goods | 3,40,000 |
| 10. Purchases from non-registered persons | 1,00,000 |
| 11. Purchases from retailers | 2,60,000 |
| 12. Acquisition of machinery and plant from registered persons | 13,00,000 |
| 13. Sales tax paid on electricity bills | 80,000 |
| 14. Sales tax paid on Sui Gas bills | 1,20,000 |
| 15. Taxable purchases in auction sale (purchases include
Rs. 2,00,000 in respect o which treasury challan is not available) | 15,00,000 |

Note: National Tax Number is printed on utility bills.

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Q.8. Mr. Muhammad Hussain is the Chief Accountant of Star Industries Limited, Lahore. He has furnished the following particulars of his income for the tax year ended 30th June 2013.

1.	Basic salary	Rs. 5,80,000
2.	Commission	1,20,000
3.	Senior post allowance	30,000
4.	Lunch facility	10,000
5.	Leave encashment	20,000
6.	Income from property	2,00,000
7.	Adhoc relief	51,000
8.	Fees for refresher course paid by employer	25,000
9.	Concessional loan benefit @ 8%	6,00,000
10.	Income from business	80,000
11.	Hotel bills paid by the company relating to a pleasure trip	20,000
12.	Shares from association of person	32,000
13.	Donation to Allama Iqbal Open University	1,00,000

Note:

Mr. Muhammad Hussain was provided rent free furnished accommodation by his employer. He was entitled to an accommodation allowance of Rs. 25,000 per month, if this accommodation was not provided to him.

Required: Calculate tax payable by Mr. Muhammad Hussain.

S. No.	Taxable Income	Rate of Tax
1.	Rs. 4,00,000 to Rs. 7,50,000	5% of amount exceeding Rs. 4,00,000
2.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
3.	Rs. 15,00,000 to Rs. 20,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART – II S/2014
Examination:- B. Com.

Roll No.

Subject: Business Taxation
PAPER: BC-405

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions including Question No. 8 which is compulsory.
All questions carry equal marks.

Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001:

- a) Agricultural income
- b) Capital Asset
- c) Income
- d) Small company

Q.2. Explain the legal provisions governing the Exemption of the following under the second schedule of the Income Tax ordinance 2001:

- a) Exemption under international agreements
- b) Pensions
- c) Profit on Debit

Q.3. Discuss the various types of relief's and tax credits which can be claimed by a tax payer.

Q.4. What are the conditions laid down under the Income Tax Ordinance for depreciation allowance?

Q.5. Discuss the powers and functions of Federal Board of Revenue.

Q.6. Define and explain the following terms under the Sales Tax Act, 1990:

- a) Appellate Tribunal
- b) Output tax
- c) Return
- d) Tax invoice

Q.7. Compute the sales tax liability of Mr. Shafiq Ahmad, a registered manufacturer, for the month of August 2013 with the help of following details:

1.	Taxable supplies to registered persons	Rs. 23,00,000
2.	Taxable supplies to consumers (exclusive sales tax)	2,50,000
3.	Taxable supplies made for personal use (inclusive of sales tax)	1,50,000
4.	Taxable supplies to retailers	5,00,000
5.	Taxable supplies to wholesalers	8,00,000
6.	Supplies donated to charitable institution	3,00,000
7.	Taxable supplies at 20% discount (Discount on Such supplies is not normal business practice)	1,60,000
8.	Taxable purchases from registered persons	18,00,000
9.	Taxable purchases (Invoices for Rs. 3,00,000 are not available)	6,00,000
10.	Purchase of motor vehicle	7,00,000
11.	Goods imported	3,50,000
12.	Taxable purchases against fake invoices	1,80,000
13.	Amount of electricity bills (NTN is printed on bill)	1,20,000
14.	Penalty and arrears payable	50,000

(P.T.O.)

Q.8. Determine taxable income and tax payable of Mr. Farhad Sher for the year ended 30th June 2013 on the basis of the following information:

1.	Basic Salary	Rs. 5,00,000
2.	Cost of living allowance	1,50,000
3.	Special additional allowance	17,000
4.	Income from business	70,000
5.	Utilities allowance	30,000
6.	Computer allowance	40,000
7.	Orderly allowance	26,000
8.	Concessional loan received @ 6% from employer	6,00,000
9.	Zakat personally paid to poor relative	5,000
10.	Qualification pay	3,000
11.	Children education facility in employer's institution	25,000
12.	Donation to University of the Punjab	1,00,000
13.	Profit on sale of inherited jewelry (holding period within 12 months)	13,100
14.	Income from property	2,00,000
15.	Tax paid with motor vehicle	10,000

Notes:

1. Mr. Farhad Sher was provided with rent free unfurnished accommodation by his employer. He was entitled to receive rent @ Rs. 30,000 per month, if this accommodation was not provided to him.
2. Contribution in workers welfare fund Rs. 41,000.
3. Tax deducted at source from salary Rs. 25,000.

S. No.	Taxable Income	Rate of Tax
1.	Rs. 4,00,000 to Rs. 7,50,000	5% of amount exceeding Rs. 4,00,000
2.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
3.	Rs. 15,00,000 to Rs. 20,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART – II A/2015
Examination:- B. Com.

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Subject: Business Taxation
PAPER: BC-405

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions including question number 8, which is compulsory. All the questions carry equal marks.

- Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001.
a) Accumulated Profit b) Pakistan Source Income c) Dividend d) Principal Officer
- Q.2 Discuss the legal provisions regarding the exemption of the following under the second schedule of the Income Tax Ordinance 2001.
a) Agricultural Income
b) Pension
c) Profit on Debt
- Q.3 What is Provident Fund? Discuss the treatment of various types of Provident Fund for inclusion in total income and exemption from income tax.
- Q.4 What are the various types of losses? How can these losses be set off and carry forward.
- Q.5 "Federal Board of Revenue is the highest executive authority in the administration of Income Tax Law" Discuss in detail.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Tax Invoice b) Input Tax c) Supply d) Tax Fraction
- Q.7 From the following data of Mr. Abdul Jabbar, a registered manufacturer of goods, calculating his liability of sales tax for August 2014:
- | | |
|--|--------------|
| 01-Taxable turnover to registered person | Rs.25,00,000 |
| 02- Taxable turnover to non-registered person | Rs.2,00,000 |
| 03-Taxable supplies to consumer on installment basis
(Open market price Rs. 2,30,000) | Rs.2,75,000 |
| 04-Sales to retailer | Rs.2,50,000 |
| 05-Taxable supplies to associated person
(Open market price Rs. 1,20,000) | Rs.1,00,000 |
| 06- Exempt Sale | Rs.3,40,000 |
| 07- Supplies to DTRE registered person | Rs.3,00,000 |
| 08- Zero rated supplies | Rs.1,80,000 |
| 09- Taxable supplies @20% discount
(Discount on such supplies is a normal practice) | Rs.1,50,000 |
| 10- Taxable purchases from registered person | Rs.5,00,000 |
| 11- Taxable purchases from non-registered person | Rs.2,80,000 |
| 12- Taxable purchases from wholesaler | Rs.1,75,000 |
| 13- Purchase raw material
(Used Taxable and exempt supplies) | Rs.4,00,000 |
| 14- Carry forward of input tax from previous month | Rs.30,000 |
| 15- Sales tax paid on electricity bills | Rs.70,000 |
| 16- Sales tax paid on sui gas bills | Rs.50,000 |

Note: National Tax Number is printed on utility bills.

(P.T.O.)

Q.8 The following information is available in respect of Prof. Dr. Asif Habib senior citizen (working as full time teacher in a recognized nonprofit educational institution) for the Tax Year ended 30th June, 2014.

01-Basic salary	Rs.3,00,000
02-Cost of living allowance	Rs.1,00,000
03-House rent allowance	Rs.1,50,000
04-Conveyance allowance	Rs.40,000
05-Senior Post allowance	Rs.30,000
06-Leave fare assistance	Rs.10,000
07-Property Income (Net)	Rs.1,20,000
08-Income from business (UK) (Tax paid in UK 500)	Rs.20,000
09-Gain on disposal of shares of private company (Disposed of within 12 months)	Rs.50,000
10-Profit on sale of inherited house (holding period more than 2 years)	Rs.1,50,000
11-Donation to Recognized educational institution	Rs.80,000
12-Worker Welfare Fund	Rs.30,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs. 82,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



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PART – II S/2015
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NOTE: Attempt any FIVE questions including question number 8, which is compulsory. All the questions carry equal marks.

- Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001.
a) Approved Gratuity Fund b) Industrial Undertaking c) Company d) Tax Payer
- Q.2 Discuss the legal provisions regarding the exemption of the following under the second schedule of the Income Tax Ordinance 2001.
a) Agricultural Income
b) Medical Charges
c) Profit on Debt
- Q.3 What are the legal provisions governing the residential status of individual, Association of persons and Company in Pakistan.
- Q.4 What are the conditions laid down under the Income Tax Ordinance 2001 for depreciation allowance?
- Q.5 Discuss the composition of "Appellate Tribunal Inland Revenue". What are the functions performed by it.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Value of Supply b) Input Tax c) Manufacture or Produce d) Return
- Q.7 Mr. Arshad Awan is registered manufacturer. Data regarding his business for the month of August 2014 is as follows

01-Taxable supplies to registered person	Rs.25,00,000
02- Taxable supplies to non-registered person	Rs.3,00,000
03-Sales to Retailers	Rs.2,60,000
04- Free Samples	Rs.5,00,000
05- Supplies to DTRE registered persons	Rs.4,00,000
06- Sales to associated company located in Export Processing Zone	Rs.8,00,000
07- Supplies made for personal use (Exclusive the amount of sales tax)	Rs.1,80,000
08- Taxable supply at discounted price (Normal business practice @ 10%, due to relationship special discount @ 15%)	Rs.1,80,000
09- Taxable purchases from registered person	Rs.5,00,000
10- Exempt Purchases	Rs.2,70,000

P.T.O.

11- Imported goods	Rs.2,80,000
12- Acquisition of fixed asset purchased from non-registered person	Rs.7,00,000
13- Sales tax paid on gas bill consumed in residential colonies	Rs.30,000
14- Sales tax paid on electricity bills (NTN is printed on)	Rs.90,000
15- Sales tax credit	Rs.50,000

Required: Calculate Sales Tax Payable.

Q.8 Compute the taxable income of Mr. Abdul Jabbar (Senior Citizen of Pakistan) who during the Tax Year ended 30th June, 2014 derived income from the following sources.

01-Salary	Rs.5,00,000
02-Annual leave fare Assistance	Rs.25,000
03-Interest free loan received from employer	Rs.6,00,000
04-Overtime payment received	Rs.15,000
05-Leave encashment	Rs.40,000
06-Conveyance provided by the employer partly for personal and partly for official purpose, expenditure	Rs.20,000
07-Gratuity received from the employer (Approved by Board)	Rs.2,10,000
08-Reimbursement of Gas, Water and Electricity Bills	Rs.20,000
09-Taxable income from gifted property	Rs.80,000
10-Profit from Speculation Business	Rs.1,00,000
11-Loss from Speculation Business	Rs.80,000
12-Profit on sale of inherited jewelry (Holding period more than 12 months)	Rs.50,000
13-Zakat deducted	Rs.15,000
14-Shares of listed companies purchased (sold by Privatization Commission of Pakistan)	Rs.25,000
15-Life Insurance Premium paid by employee	Rs.15,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs. 82,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART – II A/2016
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Roll No.

Subject: Business Taxation

TIME ALLOWED: 3 hrs.

PAPER: BC-405

MAX. MARKS: 100

NOTE: Attempt any FIVE questions including question number 8, which is compulsory. All the questions carry equal marks.

- Q. # 1:** Define and explain the following terms with reference to Income Tax Ordinance 2001.
(a) Approved superannuation fund (b) Pakistan source income
(c) Public Company (d) Non-resident person
- Q. # 2:** Discuss the legal provisions regarding the exemption of the following under the second schedule of the Income Tax Ordinance 2001.
(a) Income of Modarba (b) Exemption under international agreement
(c) Special allowances (d) Profits and gains from transmission line project
- Q. # 3:** What is meant by "Income from Property" and discuss its allowable deductions under section 15-A of the Income Tax Ordinance 2001.
- Q. # 4:** Explain in detail the provisions of Income Tax Ordinance 2001 in respect of Appeal to the Appellate Tribunal.
- Q. # 5:** Discuss the various types of relief and allowances which may be claimed as tax credits by an individual.
- Q. # 6:** Mr. Muhammad Akram is dealing in wholesale business. During the month of August 2015, his purchases and sales as per return are as under.

01- Taxable turnover to registered persons	Rs. 28,00,000
02- Taxable turnover to wholesalers (Value fixed by the Board Rs. 1,20,000)	Rs. 1,50,000
03- Supplies to consumers on installment basis (Open market price (1,30,000))	Rs. 2,00,000
04- Supplies to charitable hospital (consists of less than 50 beds)	Rs. 3,50,000
05- Supplies to charitable hospital (consists of more than 50 beds)	Rs. 2,00,000
06- Supplies to teaching hospitals of statutory universities (Consists of 200 beds)	Rs. 2,20,000
07- Supplies to teaching hospitals of statutory universities (Consists of less than 200 beds)	Rs. 6,00,000
08- Free samples to customers	Rs. 1,80,000
09- Credit notes issued for taxable supplies	Rs. 2,60,000
10- Taxable purchases from registered persons (Tax invoices available for Rs.4,00,000)	Rs. 5,00,000
11- Imported taxed goods.	Rs. 3,00,000
12- Amount paid to Courier Company for delivering free samples to customers (excluding the amount of sales tax)	Rs. 50,000

Required: Determine the amount of sales tax liability in case National Tax Number is printed on bill.

- Q. # 7:** Discuss in detail the power and function of Commissioner Inland Revenue.
- Q. # 8:** The following data relates to Mr. Mahid Baig for the tax year ended 30th June 2015.

01- Basic Salary	Rs. 5,00,000
02- Bonus	Rs. 1,00,000
03- Pay in lieu of leave	Rs. 60,000
04- Special additional allowance	Rs. 35,000
05- Conveyance allowance	Rs. 60,000
06- House rent allowance	Rs.1,00,000
07- Donation to Al-Shifa Trust specified in clause 61 of second schedule	Rs. 15,000
08- Rental Income	Rs. 1,00,000
09- Property tax and insurance paid	Rs. 4,430
10- Gain on sale of private company shares (Disposed off within 12 months)	Rs. 34,000
11- Share of profit from AOP	Rs. 14,000
12- Contribution to approved pension fund	Rs. 1,50,000
13- Rent of furniture and fitting	Rs. 15,000
14- Income from fruit processing unit setup in Punjab.	Rs. 30,000
15- Rent from sublease of land and building	Rs. 25,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs.7,50,000 to Rs. 14,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs. 82,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



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PART – II S/2016
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NOTE: Attempt any FIVE questions including question number 8, which is compulsory. All the questions carry equal marks.

Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001.

- | | |
|-----------------------------|------------------------|
| a) Company | b) Depreciable asset |
| c) Permanent establishments | d) Resident individual |

Q.2. Discuss the legal provisions regarding the exemption of the following under the second schedule of the Income Tax Ordinance 2001.

- Foreign source income of returning expatriates
- Amount of gratuity
- Income from fruit processing unit

Q.3. What are the different types of perquisites enjoyed by the salaried individuals? Discuss.

Q.4. Explain the conditions and rates regarding:

- | | |
|---------------------------------------|------------------------|
| a) Initial depreciation | b) Normal depreciation |
| c) First year depreciation allowance. | |

Q.5. Discuss the powers and functions of the Commissioners Inland Revenue.

Q.6. Define and explain the following terms with reference to the Sales Tax Act, 1990.

- | | |
|---------------|-----------------------------|
| a) Associates | b) Manufacturer or producer |
| c) Tax fraud | d) Time of supply |

Q.7. Mr. Muhammad Saleem is dealing in wholesale business. During the month of January 2016, his purchases and sales as per return are as under:

1. Taxable turnover to registered persons	Rs. 28,00,000
2. Taxable turnover to wholesalers (Consumer price)	150,000
3. Exempted supplies	100,000
4. Zero rated supplies	150,000
5. Supplies to consumer on installment basis (open market price (130,000)	200,000
6. Free samples to customers	180,000
7. Credit notes issued for taxable supplies	260,000
8. Taxable purchases from registered persons (Tax invoices available of Rs. 4,00,000)	500,000
9. Imported taxed goods	300,000
10. Purchases from registered persons (Sales tax has not been deposited by respective supplier in govt. treasury)	240,000
11. Purchase of uniform for security guards	100,000
12. Goods and services acquired for personal consumption	450,000
13. Amount paid to courier company for delivering free samples to customers (excluding the amount of sales tax)	50,000
14. Sales tax paid on electricity bills	60,000
15. Purchase of fixed assets	200,000

Required: Determine the amount of sales tax liability in case National Tax Number is printed on bill.

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Q.8. Mr. Abdul Rahim, resident of Pakistan, supplies the following information for the tax year ended on 30th June 2015:

Basic salary	Rs. 900,000
Cost of living allowance	100,000
Medical allowance	40,000
Medical facility (under terms of employment)	50,000
Conveyance allowance p.m. (owned and maintained by him)	5,000
Entertainment provided during staff meeting	10,000
Accident insurance premium	100,000
Leave fare assistance (travelled outside Pakistan)	90,000
Rent from a house let out Rs. 10,000 p.m.	
Repair charges	30,000.
Collection charges 8% of RCT.	
Unadjustable advance rent from new tenant	80,000
Donations to government hospital through cheque	150,000
Gain on sale of immovable property (holding period more than two years)	130,000
Tax deducted at source by employer	75,000
Capital gain on sale of shares of private limited company (Disposed off after 12 months)	30,000
Income from network design	10,000
Zakat deducted	250,000

Required: Calculate taxable income and tax payable if rent-free furnished accommodation is provided in Lahore, the land area of the house is 450 sq. yards.

Taxable Income		Rate of Tax
1.	Where the taxable income exceeds Rs. 7,50,000 but does not exceed Rs. 14,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Where the taxable income exceeds Rs. 14,00,000 but does not exceed Rs. 15,00,000	Rs. 82,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Where the taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART – II A/2017

Examination:- B. Com.

Roll No.

Subject: Business Taxation

PAPER: BC-405

TIME ALLOWED: 3 hrs.

MAX. MARKS: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory. All the questions carry equal marks.

- Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001.
(a) Principal Officer (b) Income (c) Industrial undertaking (d) Tax Year
- Q.2. Discuss the legal provisions regarding exemption of the following under the Income Tax Ordinance 2001.
(a) Medical Charges (b) Pension (c) Special Allowance
- Q.3. Discuss in detail the tax treatment under the Income Tax Ordinance 2001, for the following facilities provided by the employer to the employee's
(a) Accommodation (b) Conveyance (c) Loan to Employee's
- Q.4. What are the conditions laid down under the Income Tax Ordinance 2001 for depreciation allowance?
- Q.5. Explain in detail the provision of Income Tax Ordinance 2001, in respect of appeal to Appellate Tribunal and the composition of Appellate Tribunal Inland Revenue.
- Q.6. Define and explain the following terms with reference to Sales Tax Act 1990:-
(a) Arrears (b) Taxable Activity (c) Time of Supply (d) Manufacture
- Q.7. From the following data of Mr. Muhammad Sarwar, distributor of goods, calculate his liability of sales tax for August 2016:

01- Taxable turnover to registered persons	Rs.38,00,000
02- Taxable turnover to non-registered persons	Rs.2,60,000
03- Taxable turnover to registered retailers (Retail Price)	Rs.5,00,000
04- Supplies of goods specified in 3 rd Schedule (Retail price Rs.150,000)	Rs.1,00,000
05- Supplies to associated company located in Export Processing Zone	Rs.1,60,000
06- Supplies to government hospital (Consist of less than 50 beds)	Rs.4,00,000
07- Supplies to government hospital (Consist of more than 50 beds)	Rs.1,80,000
08- Supplies to private hospital	Rs.2,75,000
09- Taxable supplies at discounted price @ 10% (Normal business practice) Due to relationship special discount allowed @ 15%	Rs.1,90,000
10- Taxable purchases from registered persons	Rs.2,30,000
11- Taxable purchases against tax invoices	Rs.1,60,000
12- Purchase of pre fabricated building	Rs.6,00,000
13- Imported taxed goods	Rs.3,50,000

- Q.8. Professor Kamran (working as a full time teacher in recognized non profit educational institution) supplies the following information for the tax year ended on 30th June 2016.

1. Basic Salary	Rs.8,50,000
2. Commission	Rs.1,50,000
3. Allowed his personal car for official use. Re-imbursement of car running and maintenance expenses (10% of these expenses incurred for personal use)	Rs.80,000
4. House rent allowance	Rs.4,25,000
5. Free gas, water and electricity (Employer provides services from his own resources)	Rs.20,000
6. Life insurance premium paid by employer	Rs.35,000
7. Performance award	Rs.34,800
8. Income from property (net)	Rs.2,00,000
9. Profit from speculation business	Rs.50,000
10. Rent of agricultural land used for agricultural purpose	Rs.70,000
11. Zakat deducted by bank	Rs.40,000
12. Mark up on house finance scheme	Rs.60,000
13. Shares from AOP	Rs.30,000
14. Donation to relief fund approved by government	Rs.1,40,000
15. Tax deducted at source	Rs.70,000

Required: Compute taxable income and tax payable

Sr. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs.7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs. 79,500, + 12.5% of the amount exceeding Rs.14,00,000
3.	Rs. 15,00,000 to Rs.18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs.15,00,000



UNIVERSITY OF THE PUNJAB

PART-II: 2nd Annual - 2017

Examination: B. Com.

Roll No.

Subject: Business Taxation
PAPER: BC-405

TIME ALLOWED: 3 hrs.
MAX. MARKS: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory. All the questions carry equal marks.

Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001.

- | | |
|------------------------|------------------|
| a) Accumulated Profits | b) Capital Asset |
| c) Principal Officer | d) Small Company |

Q.2. What are the legal provisions governing the residential status of individual, Association of Persons and Company?

Q.3. Explain the legal provisions governing the exemption of following under the second schedule of the Income Tax Ordinance 2001:

- | | |
|-------------------|--------------------------------------|
| a) Pensions | b) Perquisites received by employee |
| c) Profit on Debt | d) Income from Fruit Processing Unit |

Q.4. What is provident fund? Discuss the treatment of various types of provident fund for inclusion in total income and exemption from income tax.

Q.5. Discuss the powers and functions of the Federal Board of Revenue.

Q.6. Define and explain the following terms with reference to the Sales Tax Act 1990:

- | | |
|-----------------------|----------------|
| a) Appellate Tribunal | b) Associates |
| c) Value of Supply | d) Out Put Tax |

Q.7. Compute the sales tax liability of Mr. Khalid Mahmood, a registered manufacturer, for the month of August 2016 with the help of following details:

1. Taxable supplies to registered persons	Rs. 50,00,000
2. Taxable supplies to consumers (inclusive sales tax)	3,00,000
3. Taxable supplies made for personal use	1,00,000
4. Taxable supplies to retailers (inclusive of sales tax)	6,00,000
5. Taxable supplies to wholesalers	8,00,000
6. Exempt supplies	3,00,000
7. Taxable supplies at 10% discount (Discount on Such supplies to a not normal business practice)	1,60,000
8. Taxable purchases from registered persons	15,00,000
9. Taxable purchases (Invoices for Rs. 3,00,000 are not available)	6,00,000
10. Exempted purchases used in exempted supplies	1,50,000
11. Purchase of motor vehicle	7,00,000
12. Goods imported	3,50,000
13. Taxable purchases against fake invoices	1,80,000
14. Amount of electricity bills (NTN is printed on bill)	1,20,000
15. Penalty and arrears payable	65,000

PTO

Q.8. Determine taxable income and tax payable of Mr. Aslam Ahmad for the year ended 30th June 2016 on the basis of the following information:

1.	Basic Salary	Rs. 8,00,000
2.	Cost of living allowance	1,00,000
3.	Special additional allowance	35,000
4.	Special pay	70,000
5.	Utilities allowance (including petrol for generator Rs. 20,000)	50,000
6.	Computer allowance	40,000
7.	Orderly allowance	26,000
8.	Concessional loan received @ 6% from employer	6,00,000
9.	Zakat personally paid to poor relative	5,000
10.	Qualification pay	30,000
11.	Income from business	1,00,000
12.	Income from property	1,50,000
13.	Profit on sale of inherited jewelry (holding period within 12 months)	13,100
14.	Cash withdrawal from bank	60,000
15.	Tax paid with motor vehicle	10,000

Notes:

- Mr. Aslam Ahmad was provided with rent free unfurnished accommodation by his employer. He was entitled to receive rent @ Rs. 30,000 per month, if this accommodation was not provided to him.
- Donation to Punjab University Rs. 50,000.
- Share from association of persons Rs. 25,000.
- Tax deducted at source from salary Rs. 25,000.

Taxable Income		Rate of Tax
1.	Where the taxable income exceeds Rs. 7,50,000 but does not exceed Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Where the taxable income exceeds Rs. 14,00,000 but does not exceed Rs. 15,00,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Where the taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART-II: Annual - 2018

Examination: B. Com.

Roll No.

TIME ALLOWED: 3 hrs.

MAX. MARKS: 100

Subject: Business Taxation

PAPER: BC-405

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory. All the questions carry equal marks.

- Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001:
- Accumulated Profits
 - Company
 - Permanent Establishment
 - Speculation Business
- Q.2. Discuss the Legal Provisions regarding Exemption of the following under the Income Tax Ordinance 2001:
- Exemption under international agreement
 - Perquisites received by employee
 - Export of computer software
- Q.3. What is Provident Fund? Discuss the treatment of various types of Provident Fund for Inclusion in total Income and exemption from Income Tax.
- Q.4. Briefly explain the legal provisions governing the filing of return of total income under the Income Tax Law.
- Q.5. Discuss the power and function of Commissioner Inland Revenue.
- Q.6. Define and explain the following terms with reference to Sales Tax Act 1990.
- Active Tax Payer
 - Manufacture
 - Return
 - Supply
- Q.7. Mr. Shafiq is engaged in manufacturing business. He is registered with sales tax as manufacturer. Data regarding his business during August 2017 is given below. During the period Mr. Shafiq makes some transaction, of purchases and supplies, on credit basis.

Sales to registered persons (includes supplies to public sector organization Rs. 5,00,000)	Rs. 40,00,000
Sales to non-registered persons	10,00,000
(including the amount of sales tax)	2,00,000
Zero-rated supplies	180,000
Supplies made for personal use	2,30,000
Supplies donated to charitable institutions	1,50,000
Taxable purchases from registered Persons (on credit basis)	6,00,000
Purchases from wholesaler	1,00,000
Purchase office equipments	3,00,000
Purchase of items supplies in the ninth schedule	90,000
Acquisition of fixed assets from registered persons	10,00,000
(Fixed assets put into operation during August 2017)	
Debit notes issued for taxable purchases	1,25,000
Sales tax debit	50,000
Input Tax amounting to Rs. 77,500 was paid in July 2017	
but inadvertently not claimed in the return for July 2017	

Required: Compute the sales tax liability for the month of August 2017.

PTO

Q.8. Mr. Tafiq received the following emoluments during the year ended 30th June 2017:

1.	Basic salary (Rs. 30,000-5,000-60,000)	p.m Rs. 40,000
2.	Free accommodation provided by employer. He was entitled to a house allowance of 60% of basic salary	
3.	Cost of motor vehicle (conveyance provided by employer for personal use)	7,00,000
4.	Concessional loan obtained from employer @ 8% p.a.	30,00,000
5.	Free passage 4 air tickets provided by an airline to its employee @ 40,000 per ticket	
6.	Medical allowance	50,000
7.	Dearness allowance	12,000
8.	Income from property	2,00,000
9.	Life insurance premium paid by employee	1,20,000
10.	Income from business	1,50,000
11.	Dividend received from public company	10,000
12.	Share from Association of Person	25,000

Required: Calculate tax payable by Mr. Tafiq.

Taxable Income		Rate of Tax
1.	Where the taxable income exceeds Rs. 7,50,000 but does not exceed Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Where the taxable income exceeds Rs. 14,00,000 but does not exceed Rs. 15,00,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Where the taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

PART – II : 2nd Annual – 2018

Examination: B. Com.

Roll No.

Subject: Business Taxation

PAPER: BC-405

TIME ALLOWED: 3 Hrs.

MAX. MARKS: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory.
All questions carry equal marks.

- Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001:
- | | |
|---------------------------------|--------------|
| a) Approved Superannuation Fund | b) Dividend |
| c) Resident Individual | d) Tax Payer |
- Q.2. Discuss the Legal Provisions regarding Exemption of the following under the Income Tax Ordinance 2001:
- | | |
|--|-------------------|
| a) Pensions | b) Profit on Debt |
| c) Profit and gains from a transmission line project | |
- Q.3. Discuss the various types of reliefs and allowances which can be claimed as tax credits by an individual.
- Q.4. What are the various types of losses? How can these losses be set off and carried forward.
- Q.5. "Federal Board of Revenue is the highest executive authority in the administration of Income Tax Law". Discuss in detail.
- Q.6. Define and explain the following terms with reference to Sales Tax Act 1990.
- | | |
|-----------------------|-------------------|
| a) Appellate Tribunal | b) Input Tax |
| c) Tax Fraud | d) Time of Supply |
- Q.7. From the following data of Mr. Saeed, a registered manufacturer, calculate his liability of sales tax for August 2017:

Supplies to registered persons	Rs. 20,00,000
Supplies to registered retailers	10,00,000
Supplies to the needy person	1,50,000
Taxable supplies @ 20% discount (Normal Business practice)	1,25,000
Export sales	3,00,000
Exempt supplies	2,80,000
Taxable supplies to associated persons (Open market price Rs. 1,80,000)	1,30,000
Free replacement of faulty parts on request from customer under warranty	1,50,000
Purchases from registered persons (Tax invoice include of Rs. 2,00,000 issued In the name of Mr. Saeed friend)	14,00,000
Purchase of Electrical fittings is renovation of factory building	60,000
Purchase of Gift items for customers	75,000
Purchases from un-registered persons	4,50,000
Unsold stock purchased 30 days before the application of registration	1,80,000
Purchases of raw material (used in taxable and exempt supply)	2,00,000

P.T.O.

Q.8. Determine taxable income and tax payable of Mr. Tariq for the tax year ended 30th June 2017 on the basis of the following information:

Basic Salary	Rs. 8,50,000
Dearness allowance	50,000
Special additional allowance	35,000
Medical bill re-imbursement (with NTN of Medical practitioner)	20,000
Research allowance	50,000
Utilities allowance (including petrol for generator Rs. 25,000)	55,000
Contribution to approved pension fund	30,000
Orderly allowance	45,000
Concessional loan received @ 6% from employer	5,00,000
Zakat paid	35,000
M. Phil Allowance	25,000
Children education facility in employer's institution	28,000
Conveyance provided by employer partly for personal and partly For official use. Car was purchased by employer for Rs. 8,00,000.	
Compensation for temporary disablement	60,000
Cash withdrawal from bank	90,000
Rent free unfurnished accommodation	3,00,000
Donation to Shaukat Khanum Memorial Hospital, Lahore	1,95,000
Reward on passing Departmental examination	75,000
Share from Association of Persons	40,000

Taxable Income		Rate of Tax
1.	Where the taxable income exceeds Rs. 7,50,000 but does not exceed Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Where the taxable income exceeds Rs. 14,00,000 but does not exceed Rs. 15,00,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Where the taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

B.Com. Part – II Annual Exam – 2019

Subject: Business Taxation

Paper: BC-405

Roll No.

Time: 3 Hrs.

Marks: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory.

All questions carry equal marks.

- Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001:
- | | |
|-----------------------|---------------------------|
| a) Appellate Tribunal | b) Industrial Undertaking |
| c) Resident Company | d) Tax Payer |
- Q.2. Explain the legal provisions governing the exemption of the following under the second schedule of the Income Tax Ordinance 2001:
- | | |
|------------------------|--|
| a) Agricultural Income | b) Amount of Gratuity |
| c) Profit on Debt | d) Medical Charges or Hospital Charges |
- Q.3. What are the different types of perquisites enjoyed by the salaried individual: Discuss?
- Q.4. What are the allowable deductions under section 15A in respect of "Income from Property"?
- Q.5. Discuss the powers and functions of the Federal Board of Revenue?
- Q.6. Define and explain the following terms with reference to Sales Tax Act 1990.
- | | |
|-----------------------------|--------------|
| a) Associates | b) Return |
| c) Manufacturer or Producer | d) Input Tax |
- Q.7. Calculate Sales Tax liability of Mr. Zeeshan Ahmad being a registered manufacturer from the following data for the month of August 2018:

Taxable supplies to registered person	Rs. 25,00,000
Taxable supplies to needy person	150,000
Taxable supplies @ 20 % discount (normal business practice)	100,000
Taxable supplies to associated person (open market price =Rs. 170,000)	130,000
Advance Payment received in respect of taxable supplies	350,000
Goods pledge with a bank were disposed off by the Bank for satisfaction of debt	200,000
(normal selling price =Rs. 250,000)	
Free samples	180,000
Export Sales	160,000
Purchases from registered person (tax invoice available of Rs.360,000)	500,000
Purchase raw material used in taxable & exempted supplies	180,000
Acquisition of fixed asset from registered person	500,000
Imported goods	120,000
Purchase of gift items for customers	50,000

PTO

Q.8. From the following data, calculate income tax payable by Mr. Sultan Baig for the tax year ending 30th June 2018:

1. Basic salary Rs. 50,000 per month in the scale (Rs. 40,000-4,000-64,000)
2. Bonus Rs. 100,000
3. Entertainment allowance Rs. 50,000.
4. House rent allowance at 60% of the minimum time scale.
5. Conveyance allowance Rs. 80,000.
6. Tax paid by the employer Rs. 35,000.
7. Loan received from father through crossed cheque Rs. 250,000.
8. Re-imbursement of internet bill (used for office) Rs. 38,000
9. Encashment against unavailed leave Rs. 27,000.
10. Interest free loan obtained from employer Rs. 12,00,000.
11. Medical allowance Rs. 66,000.
12. Tuition Fee of (3) school children Rs. 42,000
13. Share from AOP Rs. 10,000.
14. Donation to Government Hospital Rs. 80,000
15. Hotel bills paid by the company relating to official duties Rs. 55,000.
16. Received Income tax refund related to tax year 2016 Rs.20,000
17. TV and Refrigerator provided by the employer only for the use of employee costing Rs. 200,000 on which the company charged depreciation @ 20% in its books of accounts.

Taxable Income		Rate of Tax
1.	Where the taxable income exceeds Rs. 7,50,000 but does not exceed Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Where the taxable income exceeds Rs. 14,00,000 but does not exceed Rs. 15,00,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Where the taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

B.Com. Part – II 2nd Annual Exam – 2019

Subject: Business Taxation

Paper: BC-405

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory. All questions carry equal marks.

- Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001.
a) Tax Payer b) Filer c) Business d) Principal Officer
- Q.2 What are the legal provisions governing the residential status of individual, association of person and company in Pakistan.
- Q.3 What is Provident Fund? Discuss the treatment of various types of Provident Fund for inclusion in total income and exemption from income tax.
- Q.4 What are the various types of losses? How can these losses be set off and carry forward?
- Q.5 Discuss in detail the power and function of Commissioner Inland Revenue.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Tax Invoice b) Input Tax c) Supply d) Tax fraction
- Q.7 Mr. Zeeshan Ahmed is a registered manufacturer. Data regarding his business during the month of August 2018 is given below:

01- Taxable turnover to registered persons	Rs.40,00,000
02- Taxable turnover to non-registered persons	Rs.2,30,000
03- Taxable Supplies to consumers on installment basis (Open market price 2,60,000)	Rs.3,00,000
04- Goods pledged with a bank were disposed by the bank for Satisfaction of debt	Rs.3,50,000
05- Sales to retailers in Export Processing Zone	Rs.3,90,000
06- Taxable supplies to associated person (Open market price Rs.1,30,000)	Rs.1,20,000
07- Exempt sales (Includes distribution of free samples among the venders of Rs.75,000)	Rs.2,75,000
08- Export sales	Rs.2,25,000
09- Zero-rated supply	Rs.1,80,000
10- Supplies to cottage industry	Rs.1,40,000
11- Taxable supplies@20% discount (Discount on such supplies is a normal practice)	Rs.1,70,000
12- Taxable purchases from registered persons	Rs. 5,50,000
13- Taxable purchases from wholesaler	Rs.2,75,000
14- Purchased raw material (Used taxable and exempt supplies)	Rs.3.80,000
15- Carry forward of input tax from previous month	Rs.1,10,000
16- Sale tax paid on electricity bill	Rs.1,50,000
17- Sale tax paid on Sui Gas bill	Rs.1,40,000
18- Taxable supplies to consumers under an agreement (Open market value Rs.75,000)	Rs.90,000

Required: Determine the amount of sales tax liability in case National Tax Number is Printed on bills.

Q.8 The following data relates to Mr. Fawad Rehan for the tax year ended 30th June 2018. Who is working as teacher in Govt.college of commerce.

01- Basic Salary	Rs.8,40,000
02- Furnished accommodation provided by employer	Rs.3,50,000
03- Conveyance provided by employer for private use. cost of vehicle Rs.8,00,000/=	
Employer also paid domestic servant salary	Rs.60,000
04- Telephone bill reimbursed by the employer	Rs.33,000
05- Donated his household furniture to government hospital. Fair market value is estimated at Rs.65,000/=and medicines donated to social security hospital Rs.20,000	
06- Compensation for early retirement	Rs.3,00,000
07- Project allowance	Rs.40,000
08- Rental Income from open plot	Rs.1,50,000
Un-adjustable advance rent received	Rs.80,000
09- Lahore Gymkhana membership fee paid by employer	Rs.25,000
10- He received Rs.45,000/= as royalties on professional books and Rs.55,000/= From fish catching business.	
11- Cash award granted by president of Pakistan Rs.85,000/=	
Performance award granted by chief minister Rs.40,000/=	
12- His son is in USA and he remitted Rs.60,000/= during the year.	
13- Zakat deducted Rs.1,50,000/= and payment to workers welfare fund	Rs.1,00,000
14- Sale proceed of bonus share from private company (holding period more than one year)	Rs.10,000
15- He purchased shares of public limited company as an original allottee	Rs.30,000
16- Re-imbursement of hospitalization cost from insurance company	Rs.30,000
17- Tax deducted at source at salary	Rs.75,000
18-Rent of machinery	Rs.1,20,000
19-Free tea, coffee coupon for employee and his family	Rs.22,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs.79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000



UNIVERSITY OF THE PUNJAB

Associate Degree in Commerce /B.Com. Part – II Annual Exam – 2020

Roll No.

Subject: Business Taxation

Paper: BC-405

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory. All questions carry equal marks.

Q.1. Define and explain the following terms with reference to Income Tax Ordinance 2001:

- | | |
|------------------------|------------------------|
| a) Accumulated Profits | b) Company |
| c) Income | d) Resident Individual |

Q.2. Discuss the Legal Provisions regarding Exemption of the following under the Income Tax Ordinance 2001:

- | | |
|-----------------------|-----------------------------------|
| a) Amount of gratuity | b) Income of certain institutions |
| c) Income of Modarba | d) Export of computer software |

Q.3. What are the various types of losses? How can these losses be set off and carried forward.

Q.4. Briefly explain the legal provisions governing the filing of return of total income under the Income Tax Law.

Q.5. Discuss legal provisions governing the filing of an appeal to the Commissioner Inland Revenue.

Q.6. Define and explain the following terms with reference to Sales Tax Act 1990.

- | | |
|-----------------------|-------------------|
| a) Appellate Tribunal | b) Input Tax |
| c) Tax Fraud | d) Time of Supply |

Q.7. Umer Light is a registered manufacturer. Data regarding its business for the month of August 2019 is as follows:

1. Total turnover during the month	Rs. 35,00,000
2. Sales include exports goods supplies	400,000
3. Sales include zero rated supplies	300,000
4. Sales include sales to non-registered retailers	180,000
5. Taxable supplies @ 15% discount (normal business practice)	70,000
6. Supplies to consumer on installment basis (Open market price Rs. 2,50,000)	280,000
7. Exempted supplies	100,000
8. Sales against international tender	400,000
9. Purchases taxable goods	800,000
(Purchases include Rs. 6,50,000 in respect of which tax invoices are available)	
10. Purchases of dairies and calendar for customers	70,000
11. Purchase of Agricultural machinery	150,000
12. Purchased taxable goods from registered persons (discrepancy is indicated by Computerized Risk-based Evaluation of Sales Tax CREST)	140,000
13. Purchase of fixed assets	275,000
14. Goods imported	950,000
15. Sales tax paid on telephone bill	50,000
16. Stock of unsold goods (purchased at the time of filing monthly return)	130,000

Required: Calculate sales tax payable in case National Tax Number is printed on bill.

Q.8. Mr. Shani resident of Pakistan, supplies the following information for the tax year ended on 30th June 2019:

Basic salary	Rs.750,000
Cost of living allowance	250,000
Medical allowance.....	58,000
Medical facility (under terms of employment).....	75,000
Conveyance allowance	150,000
Accidental insurance premium paid by employer.....	45,000
Interest free loan provided by employer out of accumulated Balance of recognized provident fund.....	350,000
Rent from a house let out Rs. 20,000 p.m. repair charges.....	30,000.
Collection charges 8% of RCT unadjustable advance rent from new tenant	80,000
Income from private business during the year	55,000
Unadjustable (c/f) business loss of previous year	40,000
Donations to government hospital through cheque	150,000
Donation to government educational institution in cash	100,000
Gain on sale of immovable property (holding period more than three years)	120,000
Tax deducted at source by the employer	7,000
Capital gain on sale of shares of private limited company (Disposed off after 12 months)	44,000
Capital loss	18,500
Purchased Share of listed companies sold by privatization Commission of Pakistan	40,000
Life Insurance premium paid by the employee	20,000
Mark up on Housing Finance Scheme	75,000

Required. Calculate taxable income and tax payable if rent-free furnished accommodation is provided in Lahore, the land area of the house is 450 sq. yards.

Taxable Income		Rate of Tax
1.	Where the taxable income exceeds Rs. 12,00,000 but does not exceed Rs. 25,00,000	5% of the amount exceeding Rs. 12,00,000
2.	Where the taxable income exceeds Rs. 25,00,000 But does not exceed Rs. 40,00,000	Rs. 65000 + 15% of the amount exceeding Rs. 25,00,000



UNIVERSITY OF THE PUNJAB

Associate Degree in Commerce / B.Com. Part – II

2nd Annual – 2020 & Annual – 2021

Subject: Business Taxation

Paper: BC-405

Roll No.

Time: 3 Hrs. Marks: 100

NOTE: Attempt any FIVE questions including Question No.8 which is compulsory.
All questions carry equal marks.

Q1. Define and explain the following terms with reference to Income Tax Ordinance 2001:

- a) Industrial Undertaking
- b) Principal Officer
- c) Company
- d) Accumulated Profit

Q2. Discuss the Legal Provisions regarding Exemption of the following under Income Tax Ordinance 2001:

- a) Pension
- b) Profit on debt
- c) Medical charges
- d) Agricultural Income

Q3. Discuss the various types of reliefs and tax credits which can be claimed by a tax payer.

Q4. What are the conditions laid down under the Income Tax Ordinance 2001 for depreciation allowance?

Q5. Discuss the composition and functions of Appellate Tribunal Inland Revenue.

Q6. Define and explain the following terms with reference to Sales Tax Act 1990:-

- a) Value of supply
- b) Tax Invoice
- c) Return
- d) Appellate Tribunal

Q7. Compute the sales tax liability of Mr. Umer Niaz a registered manufacturer for the month of August 2020 with the help of following details:

1. Supplies to registered persons	Rs. 30,00,000
2. Supplies against international tender	275,000
3. Taxable supplies @ 30% discount (not normal business practice)	155,000
4. Export sales	300,000
5. Supplies of goods specified in 6 th schedule	280,000
6. Taxable supplies to associated persons (open market price Rs 180,000)	140,000
7. Supplies to non-registered persons (inclusive sales tax)	150,000

8. Credit note issued for taxable supplies	95,000
9. Free replacement of faulty parts on request from customer under warranty	150,000
10. Purchase from registered persons (Tax invoice include of Rs. 260,000 issued in the name of Mr. Abu bakar friend)	14,00,000
11. Purchase of gift items from customers	75,000
12. Unsold stock purchased 30 days before the application of registration	165,000
13. Acquisition of fixed asset for the month of July 2020	900,000
14. Imported taxed goods (bill of entry is not available)	130,000
15. Sales tax paid on electricity bills payment through cash (NTN is printed on bill)	90,000
16. Penalty and arrears payable	60,000

Q8. Determine taxable income and tax payable of Mr. Shahid Mehmood for the tax year ended 30th June 2020 from information provided:

1. Basic salary	Rs. 40,000 p.m.
2. Bonus	100,000
3. Pay in lieu of leave	90,000
4. Salary of watchman, gardener and sweeper paid by employer	40,000
5. Contribution by employer in approved superannuation fund	10,000
6. Entertainment provided during training session	25,000
7. Rental income from property	300,000
8. Income from fish farming business	70,000
9. Profit on sale of inherited jewelry (holding period within 12 months)	35,000
10. Compensation on delay refund	20,000
11. Interest free loan from friend through crossed cheque	15,00,000
12. Contribution to approved pension fund	180,000
13. Tax deducted at source from salary	15,000

Notes:

- He is provided with rent free unfurnished accommodation.
- Share from AOP Rs. 75,000
- He is provided chauffer driven car by the employer partly for private use. Cost of car is Rs.13,00,000
- Donation to Pakistan Red Crescent Society approved under clause 61 of Schedule II is Rs. 160,000
- Donation to Bait ul Mal Fund Rs. 150,000

Taxable Income	Rate of Tax
Taxable income exceeds Rs 600,000 but does not exceed Rs. 12,00,000	5% of amount exceeding Rs. 600,000
Taxable income exceeds Rs 12,00,000 but does not exceed Rs. 18,00,000	Rs. 30,000 + 10% of amount exceeding Rs. 12,00,000