

HAILEY COLLEGE OF COMMERCE
UNIVERSITY OF THE PUNJAB, LAHORE

Course Title: Taxation Management-I

Course Code: BSC-201

Credit Hours: 3

Program: BS Commerce

Semester: 03

1.0 Introduction of the Course:

This course provides basic overview of the taxation system of the Pakistan and its fundamentals concepts. After studying this course, the students would be able to understand taxation system of Pakistan, income tax concepts/terms/definitions, Tax authorities and its hierarchy. To know about rules and regulations regarding taxable income from various heads of income and calculation of taxable liability is an important task of this course. Similarly, this course may help the students who want to become tax practitioners as their professional career. This course would also help the students to know about the assessment procedure of taxable income and income tax liability for salaried individuals.

2.0 Pre-Requisites Course or Other Requirements/Skills:

Basic knowledge of accounting and business

3.0 Course Learning Outcomes:

1. After studying this course, the students would be able to understand fundamentals concepts/definitions, tax exemptions and tax rules.
2. This course would also help the students to know about the calculation procedure of taxable income and income tax liability for salaried individuals.
3. This course may help the students who want to become tax practitioners as their professional career.

4.0 Course Contents:

Unit-I

1.1 Income Tax Laws in Pakistan

- 1.1.1 History of Income Tax Law, Income Tax Ordinance, 1979, Income Tax Ordinance, 2001, Scope of Income Tax Laws, Extent of Income Tax Ordinance, 2001.
- 1.1.2 Components of Income Tax Law, Income Tax Ordinance, 2001, Income Tax Rules, Notifications, Circulars and Orders, Income Tax Case Law, Finance Act or Ordinance.

Unit-II

1.1 Definitions of Terms (Section2)

- 1.1.1 Importance and understanding of Income Tax terms/concepts/definitions.
- 1.1.2 All the definitions given under section 2 of Income Tax Ordinance 2001(updated) (2nd Schedule)

Unit-III

3.1 Income Exempt from Tax (section 41 to 51)

- 3.1.1 Importance of understanding of Income Exempt from Tax.
- 3.1.2 Income Tax Exemptions given under section 41 to 51 of Income Tax Ordinance 2001(updated).

Unit-IV

1.1 Heads of Income- Income from Salary

- 1.1.1 Overview of all the heads of income with examples. Understanding, features and scope of salary Income. Minimum of Time Scale of Basic Salary, Basic Salary and Salary concepts, Valuation of perquisites, allowances and benefits provided by an Employer such as Accommodation, Conveyance, Medical Charges, Hospital Charges or Medical Allowance, Loan to Employees, Special Allowance, Provident Fund etc.
- 1.1.2 Computation of Salary Income, Deductions from total Income, Calculation of Gross Tax, Block of Income under FTR, Block of Income under separate block.
- 1.1.3 Tax credits, Average Relief and Other Related Income.
- 1.1.4 Numerical Demonstration of salaried individuals.

Unit-V

5.1 Computation of Income from Property

- 5.1.1 Understanding the concept of Income from Property, Concept and Calculation of Rent Chargeable to Tax (RCT), Admissible Deductions and Numerical Demonstration.

Unit-VI

6.1 Computation of Income from Capital Gain

- 6.1.1 Capital and revenue items, Concept of income from capital gains, Computation of capital gains, Deductions of capital losses, Capital gains on disposal of securities, Exempt capital gain and numerical demonstration.

Unit-VII

7.1 Computation of Income from Other Sources

- 7.1.1 Understanding the concept of Income from other sources, Examples of Income from other Sources, Examples of Income, Profits and Gains not taxable under the particular Heads Rather Treated as income from Other Sources, Admissible Deductions.

5.0 Teaching-Learning Strategies:

- Lectures
- Handouts
- Group Discussions
- Classroom Presentations
- Projects and Term Paper
- Quizzes
- Case Study, Reading Assignment

6.0 Assignments:

- 6.1.1 Assignment regarding applicability of income tax rules/return will be given after midterm examination.
- 6.1.2 Two quizzes will be taken from midterm course contents and 2 quizzes will be taken from final term course contents.

7.0 Textbooks: (Latest Editions)

1. Muhammad Muazzam Mughal, Income Tax: Principles and Practice, Syed Mobin Mahmud & Co, Lahore.
2. CAF-06 Principles of Taxation by ICAP
3. Mirza Munawar Hussain, Synopsis of Taxes in Pakistan, IBP Publications

9.0 Suggested Readings:

9.1 Books:

- Govt. of Pakistan, Income Tax Ordinance 2001 and relevant laws.
- Huzaima & Ikram, Law and Practice of Income Tax.
- R.I. Naqvi, Income Tax Law. Taxation House, Lahore.
- Khawaja Amjad Saeed, Income Tax Law with Practical Problems, Accountancy and Taxation Services Institute, Lahore.
- Luqman Baig, Income Tax Law, Ghazanfar Academy, Karachi.

9.2 Journal Articles/ Reports:

www.fbr.gov.pk