

University of the Punjab

Course outline

Associated Degree in Commerce (Specialization in Accounting & Finance)

Semester	3		
Course Name	Business Taxation I		
Course code	ADC 403		
Credit Hours	03		
Prerequisites	Basic knowledge of accounting and business		
Follow Up	Would be Business Taxation II in Semester IV		
Objectives to Achieve	<p>On the completion of course students should be able to:</p> <ul style="list-style-type: none"> • Understand the Income Tax Laws in Pakistan • Explain heads of income • Understand the assessment of salaried individual • Elucidated relevant topics, like depreciation, authorities of Inland Revenue, filing of return, appeals and set off and carried forward of losses, of Income Tax Ordinance 2001 		
Teaching Strategies	<ol style="list-style-type: none"> i. Lectures ii. Handouts iii. Group discussions iv. Class-room presentation v. Projects and term paper vi. Quizzes vii. Case Study, reading assignment 		
Assessment Criteria	Mid term (Assessment by respective College)		Final Examination (Assessment by University of the Punjab)
	40%		60%
	Quizzes and Tests Assignment and Presentations, Viva, Attendance, Class Participation and discipline etc.	Written paper	Written Paper

Weekly Lectures Plan/Syllabus

Week	Topic	Detailed Contents
1	Income Tax Laws in Pakistan	<ul style="list-style-type: none"> • History of Income Tax Law • Income Tax Ordinance, 1979 • National Tax Reform Commission • Income Tax Ordinance, 2001 • Tax Administration Reforms Programme <ul style="list-style-type: none"> ➤ Amnesty on Undisclosed income 2008 ➤ Tax Reforms Commission ➤ The objectives of the Committee ➤ Scope of Income Tax Laws <ul style="list-style-type: none"> ➤ Extent of Income Tax Ordinance, 2001 ➤ Components of Income Tax Law <ul style="list-style-type: none"> ○ Income Tax Ordinance, 2001 ○ Income Tax Rules ○ Notifications, Circulars and Orders ○ Income Tax Case Law ○ Finance Acts or Ordinance
2	Definitions of Terms (Section 2)	<ul style="list-style-type: none"> • Importance of understanding definitions of Income Tax Terms • All the definitions given under section 2 of Income Tax Ordinance 2001(updated) (2nd Schedule)
3		
4	Income Exempt from Tax (section 41 to 51)	<ul style="list-style-type: none"> • Importance of understanding Income Exempt from Tax. • All the Incomes Exempt from tax given under section 41 to 51 of Income Tax Ordinance 2001(updated)
5		
6	Understanding of Heads of Income	Overview of all the heads of income with examples
7	Computation of Income from Salary	<ul style="list-style-type: none"> • Understanding, features and scope of Salary Income • Valuation of Perquisites, Allowances and Benefits <ul style="list-style-type: none"> ➤ Minimum of Time Scale of Basic Salary ➤ Basic salary ➤ Salary • Facilities provided By Employer <ul style="list-style-type: none"> ➤ Accommodation ➤ Conveyance ➤ Medical Charges, Hospital Charges or Medical Allowance ➤ Loan to Employees ➤ Special Allowance ➤ Provident Fund • Computation of Salary Income • Deductions from total Income • Calculation of Gross Tax • Block of Income under FTR • Block of Income under separate block • Tax Credits
8		
9		

		<ul style="list-style-type: none"> • Average Relief • Other Related Income • Numerical Demonstration
10	Computation of Income from property	<ul style="list-style-type: none"> • Understanding the concept of Income from Property • Concept and Calculation of Rent Chargeable to Tax • Admissible Deductions • Numerical Demonstration
11	Computation of Income from Business	<ul style="list-style-type: none"> • Understanding the concept of Income from Business • Taxability of Business Income • Income from Business exempt from tax • Income from Speculation Business • Admissible and Inadmissible Deductions • Numerical Demonstration
12	Computation of Income from Capital Gain	<ul style="list-style-type: none"> • 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 Gains • Numerical Demonstration
13	Computation of Income from Other Sources	<ul style="list-style-type: none"> • 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
14	Assessment of Salaried Individual, AOP and Company	<ul style="list-style-type: none"> • Assessment of Salaried Individuals, AOP and Company based on heads of income stated above • Practical Problems
15	Income Tax Allied topics	<ul style="list-style-type: none"> • Depreciation • Legal Provisions regarding Furnishing of Returns • Set Off and Carry Forward of losses • Income tax Authorities • Appeals
16		

BOOKS RECOMMENDED (Latest Editions)

1. Khawaja Amjad Saeed, Income Tax Law with Practical Problems, Accountancy and Taxation Services Institute, Lahore.
2. Muhammad Muazzam Mughal, Income Tax: Principles and Practice, Syed Mobin Mahmud & Co, Lahore.
3. Luqman Baig, Income Tax: Problems & Solutions, Karachi.
4. R.I. Naqvi, Income Tax Law. Taxation House, Lahore.
5. Govt. of Pakistan, Income Tax Ordinance 2001 and relevant laws.
6. Luqman Baig, Income Tax Law, Ghazanfar Academy, Karachi.