



# 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:

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

**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