



UNIVERSITY OF THE PUNJAB

PART-II: 2nd Annual - 2017

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.

- | | |
|------------------------|------------------|
| 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

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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:

1. 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.
2. Donation to Punjab University Rs. 50,000.
3. Share from association of persons Rs. 25,000.
4. 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