



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-imburement (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