

**QUESTION PAPER 2010**

**Time Allowed: 3 hours**

**Max. Marks: 100**

**Attempt any FIVE questions including Question No. 8, which is compulsory.**  
**All questions carry equals marks.**

**Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001:**

- (a) Income (b) Person  
(c) Speculation business (d) Tax year

**Q.2 briefly explain the following with reference to Sales Tax Act, 1990.**

- (a) Procedure of registration (b) De-registration  
(c) Black listing and suspension of registration

**Q.3 discuss at least ten allowable deductions under the head "Income from business" or profession "Under section 20 of the Income Tax Ordinance 2001".**

**Q.4 Discuss the powers and functions of regional commissioner of income tax.**

**Q.5 Discuss the various types of assessment made by the commissioner of Income Tax / Commissioner inland revenue.**

**Q.6 What penalties can be imposed in the following cases under Income Tax Law?**

- (a) Non-payment of tax  
(b) Non-compliance with notice  
(c) Making false and misleading statements  
(d) Failure to furnish statements

**Q.7 Mr. Muhammad Shan is a registered manufacturer. Data regarding his business for the month of August 2009 is as follows.**

(1) Taxable turnover to registered person on credit basis	Rs. 3,500,000
(2) Taxable turnover to non-registered persons (Including the Amount of sales tax)	Rs. 250,000
(3) Sales to retailers	Rs. 150,000
(4) Exempted sales	Rs. 600,000
(5) Supplies to DTRE registered person	Rs. 400,000
(6) Zero rated supply	Rs. 900,000
(7) Supplies made for personal use (including the amount of sales tax)	Rs. 120,000
(8) Taxable purchases from registered persons on credit basis	Rs. 300,000
(9) Exempted Purchases	Rs. 250,000
(10) Imported goods	Rs. 150,000

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(11)	Acquisition of fixed assets purchased from non-registered persons	Rs. 800,000
(12)	Sales tax paid on gas bill consumed in residential colonies.	Rs. 20,000
(13)	Sales tax paid on electricity bills. (Sales tax registration number is printed on bills)	Rs. 50,000
(14)	Sales tax paid on telephone bills (Sales tax registration number is printed on bills)	Rs. 50,000
	Sales tax credit	Rs. 20,000

**Required Calculate sales tax payable.**

**Q.8 Mr. Younas is director of ABC Limited (engaged in transport business). The following information is available on his record for the tax year ended 30th June 2009:**

Salary	Rs. 350,000
Free furnished accommodation provided by the employer. Accommodation allowance Rs. 80,000 if this accommodation was not provided to him.	
Free transport facility to the employee's family	Rs. 10,000
Electricity, gas and water charges paid by the company	Rs. 6,350
Bonus	Rs. 50,000
Senior post allowance	Rs. 12,000
Wages of watchman, gardener and sweeper at house paid by the company	Rs. 5,000
Interest free loan obtained from the employer	Rs. 120,000
Income from property	Rs. 180,000
Un-adjustable advance rent received	Rs. 120,000
Rent of furniture and fittings	Rs. 14,000
Share from AOP	Rs. 100,000
Investment in shares of listed companies	Rs. 28,900
Donation to University of the Punjab	Rs. 8,000
Payment to workers welfare fund	Rs. 29,000