



UNIVERSITY OF THE PUNJAB

PART – II S/2014
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 questions carry equal marks.**

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

- Agricultural income
- Capital Asset
- Income
- Small company

Q.2. Explain the legal provisions governing the Exemption of the following under the second schedule of the Income Tax ordinance 2001:

- Exemption under international agreements
- Pensions
- Profit on Debit

Q.3. Discuss the various types of relief's and tax credits which can be claimed by a tax payer.

Q.4. What are the conditions laid down under the Income Tax Ordinance for depreciation allowance?

Q.5. Discuss the powers and functions of Federal Board of Revenue.

Q.6. Define and explain the following terms under the Sales Tax Act, 1990:

- Appellate Tribunal
- Output tax
- Return
- Tax invoice

Q.7. Compute the sales tax liability of Mr. Shafiq Ahmad, a registered manufacturer, for the month of August 2013 with the help of following details:

1.	Taxable supplies to registered persons	Rs. 23,00,000
2.	Taxable supplies to consumers (exclusive sales tax)	2,50,000
3.	Taxable supplies made for personal use (inclusive of sales tax)	1,50,000
4.	Taxable supplies to retailers	5,00,000
5.	Taxable supplies to wholesalers	8,00,000
6.	Supplies donated to charitable institution	3,00,000
7.	Taxable supplies at 20% discount (Discount on Such supplies is not normal business practice)	1,60,000
8.	Taxable purchases from registered persons	18,00,000
9.	Taxable purchases (Invoices for Rs. 3,00,000 are not available)	6,00,000
10.	Purchase of motor vehicle	7,00,000
11.	Goods imported	3,50,000
12.	Taxable purchases against fake invoices	1,80,000
13.	Amount of electricity bills (NTN is printed on bill)	1,20,000
14.	Penalty and arrears payable	50,000

(P.T.O.)

Q.8. Determine taxable income and tax payable of Mr. Farhad Sher for the year ended 30th June 2013 on the basis of the following information:

1.	Basic Salary	Rs. 5,00,000
2.	Cost of living allowance	1,50,000
3.	Special additional allowance	17,000
4.	Income from business	70,000
5.	Utilities allowance	30,000
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	3,000
11.	Children education facility in employer's institution	25,000
12.	Donation to University of the Punjab	1,00,000
13.	Profit on sale of inherited jewelry (holding period within 12 months)	13,100
14.	Income from property	2,00,000
15.	Tax paid with motor vehicle	10,000

Notes:

1. Mr. Farhad Sher 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. Contribution in workers welfare fund Rs. 41,000.
3. Tax deducted at source from salary Rs. 25,000.

S. No.	Taxable Income	Rate of Tax
1.	Rs. 4,00,000 to Rs. 7,50,000	5% of amount exceeding Rs. 4,00,000
2.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
3.	Rs. 15,00,000 to Rs. 20,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000