



UNIVERSITY OF THE PUNJAB

PART – II S/2015
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 number 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) Approved Gratuity Fund b) Industrial Undertaking c) Company d) Tax Payer
- Q.2 Discuss the legal provisions regarding the exemption of the following under the second schedule of the Income Tax Ordinance 2001.
a) Agricultural Income
b) Medical Charges
c) Profit on Debt
- Q.3 What are the legal provisions governing the residential status of individual, Association of persons and Company in Pakistan.
- Q.4 What are the conditions laid down under the Income Tax Ordinance 2001 for depreciation allowance?
- Q.5 Discuss the composition of "Appellate Tribunal Inland Revenue". What are the functions performed by it.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Value of Supply b) Input Tax c) Manufacture or Produce d) Return
- Q.7 Mr. Arshad Awan is registered manufacturer. Data regarding his business for the month of August 2014 is as follows

01-Taxable supplies to registered person	Rs.25,00,000
02- Taxable supplies to non-registered person	Rs.3,00,000
03-Sales to Retailers	Rs.2,60,000
04- Free Samples	Rs.5,00,000
05- Supplies to DTRE registered persons	Rs.4,00,000
06- Sales to associated company located in Export Processing Zone	Rs.8,00,000
07- Supplies made for personal use (Exclusive the amount of sales tax)	Rs.1,80,000
08- Taxable supply at discounted price (Normal business practice @ 10%, due to relationship special discount @ 15%)	Rs.1,80,000
09- Taxable purchases from registered person	Rs.5,00,000
10- Exempt Purchases	Rs.2,70,000

P.T.O.

11- Imported goods	Rs.2,80,000
12- Acquisition of fixed asset purchased from non-registered person	Rs.7,00,000
13- Sales tax paid on gas bill consumed in residential colonies	Rs.30,000
14- Sales tax paid on electricity bills (NTN is printed on)	Rs.90,000
15- Sales tax credit	Rs.50,000

Required: Calculate Sales Tax Payable.

Q.8 Compute the taxable income of Mr. Abdul Jabbar (Senior Citizen of Pakistan) who during the Tax Year ended 30th June, 2014 derived income from the following sources.

01-Salary	Rs.5,00,000
02-Annual leave fare Assistance	Rs.25,000
03-Interest free loan received from employer	Rs.6,00,000
04-Overtime payment received	Rs.15,000
05-Leave encashment	Rs.40,000
06-Conveyance provided by the employer partly for personal and partly for official purpose, expenditure	Rs.20,000
07-Gratuity received from the employer (Approved by Board)	Rs.2,10,000
08-Reimbursement of Gas, Water and Electricity Bills	Rs.20,000
09-Taxable income from gifted property	Rs.80,000
10-Profit from Speculation Business	Rs.1,00,000
11-Loss from Speculation Business	Rs.80,000
12-Profit on sale of inherited jewelry (Holding period more than 12 months)	Rs.50,000
13-Zakat deducted	Rs.15,000
14-Shares of listed companies purchased (sold by Privatization Commission of Pakistan)	Rs.25,000
15-Life Insurance Premium paid by employee	Rs.15,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 15,00,000	Rs. 17,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs. 82,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 95,000 + 15% of the amount exceeding Rs. 15,00,000