

QUESTION PAPER 2012

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

Subject: Business Taxation

TIME ALLOWED: 3 hrs.

PAPER: BC-405

MAX. MARKS: 100

Q.1 Define and explain the following terms with reference to the income tax ordinance 2001.

- (a) Company
- (b) Income
- (c) Industrial Undertaking
- (d) Taxpayer

Q.2 What do you mean by rent chargeable to tax?

- (a) List down the income from property exempt from tax
- (b) List down the income from property not taxable under section 15.

Q.3. (a) Give ten examples of income from other sources under section 39 of the Income Tax Ordinance 2001.

- (c) What are the allowable deductions from "Income from Other Sources"?

Q.4. Explain the legal provisions regarding the furnishing of income tax return under the Income Tax Ordinance 2001.

Q.5. Explain in detail the provisions of income tax ordinance 2001 in respect of an appeal to the Appellate Tribunal and the composition of the Appellate Tribunal.

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Q.6. Explain the following with reference to Sales Tax Act 1900.

- (i) Tax Invoice
- (ii) Tax credit not allowed
- (iii) De-registration
- (iv) Sales tax return

Q.7. From the following data of Mr. Shahzad, a registered manufacturer of goods, calculate his

liability of sales tax for August 2011:

1. Sales to registered persons	Rs. 5,000,000
2. Supplies to DTRE registered person	300,000
3. Export sales	450,000
4. Sales to non-registered person (including the. amount of sales tax)	300,000
5. Sales tax debit	70,000
6. Supplies made for personal use (exclusive of sales tax)	220,000
7. Supplies donated to charitable institution	350,000
8. Taxable purchases from registered person	400,000
9. Exempt purchases	225,000
10. Imported goods	3,40,000
11. Purchases from non-registered persons	1,00,000
12. Purchases from wholesaler	260,000
13. Acquisition of fixed assets From registered persons	1,300,000
14. Sales tax paid on electricity bills	40,000
15. Sales tax paid on Sui Gas bills	80,000

Note: National Tax number is printed on utility bills.

Q.8 The following data relates to Mr. Hassam for the tax year ended 30th June 2011. Calculate his tax payable.

1. Basic salary	Rs. 180,000
2. Bonus	Rs. 40,000
3. Pay in lieu of leave	Rs. 50,000
4. Special additional allowance	Rs. 20,000
5. Conveyance allowance	Rs. 30,000
6. Free furnished accommodation provided by employer other than big cities	----
7. Zakat deducted	Rs. 10,000
8. Rental income	Rs. 100,000

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9. Property tax and insurance paid	Rs. 40,000
10. Gain on sale of private company shares (disposed off within 12 months)	Rs. 5,000
11. Share of profit from AOP	Rs. 14,000
12. Employer deducted tax under section 149	Rs. 1,500
13. Contribution to approval pension fund	Rs. 30,000
14. Personal expenditure on legal services	Rs. 5,000
15. Golden handshake received during the year	Rs. 100,000
16. Hotel bills paid by the company relating to pleasure trip.	Rs. 20,000

Rates of tax for salaried individual for tax year 2011.

Where the taxable income exceeds Rs. 450,000 but does not exceed Rs. 550,000	3.50%
Where the taxable income exceeds Rs. 550,000 but does not exceed Rs. 650,000	4.50%
Where the taxable income exceeds Rs. 650,000 but does not exceed Rs. 750,000	6.00%
Where the taxable income exceeds Rs. 750,000 but does not exceed Rs. 900,000	7.50%
Where the taxable income exceeds Rs. 900,000 but does not exceed Rs. 1,050,000	9.00%

Marginal relief

Marginal relief will be provided if the total income of a taxpayer marginally exceeds the maximum limit of a slab in the table. The following procedure will be adopted.

Total income does not exceed Rs. 550,000

Tax payable on maximum of last slab plus 30% of the amount exceeding the last slab limit.

Total income does not exceed Rs. 1,050,000

Tax payable on maximum of last slab plus 30% of the amount exceeding the last slab limit.

Total income does not exceed Rs. 2,250,000

Tax payable on maximum of last slab plus 40% of the amount exceeding the last slab limit.