

QUESTION PAPER 2015

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) Accumulated Profit
- (b) Dividend
- (c) Pakistan Source Income
- (d) Principal Officer

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) Profit on Debt
- (c) Pension

Q.3 What is Provident Fund. Discuss the treatment of various types of Provident Fund for inclusion in total income and exemption from income tax.

Q.4 What are the various types of losses. How can these losses be set off and carry 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) Tax invoice
- (b) Input tax
- (b) Supply
- (d) Tax fraction

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Q.7 From the following data of Mr. Abdul Jabbar, a registered manufacturer of goods, calculate his liability of sales tax for August 2014:

(1)	Taxable turnover to registered person	Rs. 2,500,000
(2)	Taxable turnover to non-registered person	200,000
(3)	Taxable supply to consumer on installment basis. (Open market price Rs. 230,000)	275,000
(4)	Sales .to retailer	250,000
(5)	Taxable supplies to associated person (Open market price Rs. 120,000)	100,000
(6)	Exempt sales	340,000
(7)	Supplies to DTRE registered person	300,000
(8)	Zero rated supplies	180,000
(9)	Taxable supplies @ 20% discount (Discount on such supplies is a normal practice)	150,000
(10)	Taxable purchases from registered person	500,000
(11)	Taxable purchases from non-registered person	280,000
(12)	Taxable purchases from whole seller	175,000
(13)	Purchase of raw material (used in taxable and exempt supplies)	400,000
(14)	Carry forward input tax from previous month	30,000
(15)	Sales tax paid on electricity bills	70,000
(16)	Sales tax paid on sui gas bills	50,000

Note: NTN number is printed on utility bills.

Q.8 The following information is available in respect of Prof. Dr. Asif Habib senior citizen (working as

full time teacher in a recognized non-profit educational institution) for the year ended 30th June, 2014.

(1)	Basic salary	Rs. 300,000
(2)	Cost of living allowance	100,000
(3)	House rent allowance	150,000
(4)	Conveyance allowance	40,000
(5)	Senior post allowance	30,000
(6)	Leave fare assistance	10,000
(7)	Property income (Net)	120,000
(8)	Income from business (UK) (Tax paid in UK Rs. 500)	20,000
(9)	Gain on disposal of shares of private company	50,000
(10)	Profit on sale of inherited house (holding period more than two years)	150,000

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(11) Donations to recognized educational institution	80,000
(12) Worker welfare fund	30,000

REQUIRED:

Compute taxable income and tax payable.

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