

QUESTION PAPER 2016

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) Approved superannuation fund
- (b) Pakistan source income
- (c) Public company
- (d) non-residential person

Q.2 Discuss the legal provisions regarding the exemption of the following under the second schedule of the income tax ordinance 2001.

- (a) Income of Modarba
- (b) Exemption under international agreement
- (c) Special allowances
- (d) Profit and gains from transmission line project
- (e)

Q.3 What is meant by “Income from property” and discuss its allowable deductions under section 15-A of the income tax ordinance 2001.

Q.4 Explain in detail the provision of income tax ordinance 2001 in respect of appeal to the appellate tribunal.

Q.5 Discuss the various types of relief and allowances which may be claimed as tax credits by an individual.

Q.6 Mr. Muhammad Akram is dealing in wholesale business. During the months of August 2015, his purchases and sales as per return are as under:

(1)	Taxable turnover to registered persons	Rs. 2,800,000
(2)	Taxable turnover to wholesalers (Value fixed by the board Rs. 120,000)	Rs. 150,000
(3)	Supplies to consumer on instalment basis (Open market price (130,000)	Rs. 200,000

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(4)	Supplies to charitable hospital (Consists of less than 50 beds)	Rs. 350,000
(5)	Supplies to charitable hospital (Consists of more than 50 beds)	Rs. 200,000
(6)	Supplies to teaching hospitals of statutory universities (Consists of 200 beds)	Rs. 220,000
(7)	Supplies to teaching hospitals of statutory universities (Consists of less than 200 beds)	Rs. 600,000
(8)	Free samples to customers	Rs. 180,000
(9)	Credit notes issued for taxable supplies	Rs. 260,000
(10)	Taxable purchases from registered persons (Tax invoices available for Rs. 400,000)	Rs. 500,000
(11)	Imported taxed goods	Rs. 300,000
(12)	Amount paid to courier company for delivering free samples To customers (excluding the amount of sales tax)	Rs.50,000

REQUIRED:

Determine the amount of sales tax liability in case National Tax Number is printed on bill.

Q.7 Discuss in detail the power and function of Commission Inland Revenue.

Q.8 The following data relates to Mr. Mahid Baig for the tax year ended 30th June 2015.

(1)	Basic salary	Rs. 500,000
(2)	Bonus	Rs. 100,000
(3)	Pay in lieu of leave	Rs. 60,000
(4)	Special additional allowance	Rs. 35,000
(5)	Conveyance Allowance	Rs. 60,000
(6)	House rent allowance	Rs. 100,000
(7)	Donation to Al-Shifa trust specified in clause 61 of second schedule	Rs. 15,000
(8)	Rental income	Rs. 100,000
(9)	Property tax and insurance paid	Rs. 4,430
(10)	Gain on sale of private company shares	

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(Disposed off within 12 months)	Rs. 34,000
(11) Share of profit from AOP	Rs. 14,000
(12) Contribution to approved pension fund	Rs. 150,000
(13) Rent of furniture and fitting	Rs. 15,000
(14) Income from fruit processing unit setup in Punjab	Rs. 30,000
(15) Rent from sublease of land and building	Rs. 25,000

REQUIRED:

Compute taxable income and tax payable

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