



UNIVERSITY OF THE PUNJAB

B.Com. Part – II 2nd Annual Exam – 2019

Subject: Business Taxation

Paper: BC-405

Roll No.

Time: 3 Hrs. Marks: 100

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.
a) Tax Payer b) Filer c) Business d) Principal Officer
- Q.2 What are the legal provisions governing the residential status of individual, association of person and company in Pakistan.
- 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 Discuss in detail the power and function of Commissioner Inland Revenue.
- Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:-
a) Tax Invoice b) Input Tax c) Supply d) Tax fraction
- Q.7 Mr. Zeeshan Ahmed is a registered manufacturer. Data regarding his business during the month of August 2018 is given below:

01- Taxable turnover to registered persons	Rs.40,00,000
02- Taxable turnover to non-registered persons	Rs.2,30,000
03- Taxable Supplies to consumers on installment basis (Open market price 2,60,000)	Rs.3,00,000
04- Goods pledged with a bank were disposed by the bank for Satisfaction of debt	Rs.3,50,000
05- Sales to retailers in Export Processing Zone	Rs.3,90,000
06- Taxable supplies to associated person (Open market price Rs.1,30,000)	Rs.1,20,000
07- Exempt sales (Includes distribution of free samples among the venders of Rs.75,000)	Rs.2,75,000
08- Export sales	Rs.2,25,000
09- Zero-rated supply	Rs.1,80,000
10- Supplies to cottage industry	Rs.1,40,000
11- Taxable supplies@20% discount (Discount on such supplies is a normal practice)	Rs.1,70,000
12- Taxable purchases from registered persons	Rs. 5,50,000
13- Taxable purchases from wholesaler	Rs.2,75,000
14- Purchased raw material (Used taxable and exempt supplies)	Rs.3.80,000
15- Carry forward of input tax from previous month	Rs.1,10,000
16- Sale tax paid on electricity bill	Rs.1,50,000
17- Sale tax paid on Sui Gas bill	Rs.1,40,000
18- Taxable supplies to consumers under an agreement (Open market value Rs.75,000)	Rs.90,000

Required: Determine the amount of sales tax liability in case National Tax Number is Printed on bills.

Q.8 The following data relates to Mr. Fawad Rehan for the tax year ended 30th June 2018. Who is working as teacher in Govt.college of commerce.

01- Basic Salary	Rs.8,40,000
02- Furnished accommodation provided by employer	Rs.3,50,000
03- Conveyance provided by employer for private use. cost of vehicle Rs.8,00,000/=	Rs.60,000
Employer also paid domestic servant salary	
04- Telephone bill reimbursed by the employer	Rs.33,000
05- Donated his household furniture to government hospital. Fair market value is estimated at Rs.65,000/=and medicines donated to social security hospital Rs.20,000	
06- Compensation for early retirement	Rs.3,00,000
07- Project allowance	Rs.40,000
08- Rental Income from open plot	Rs.1,50,000
Un-adjustable advance rent received	Rs.80,000
09- Lahore Gymkhana membership fee paid by employer	Rs.25,000
10- He received Rs.45,000/= as royalties on professional books and Rs.55,000/= From fish catching business.	
11- Cash award granted by president of Pakistan Rs.85,000/=	
Performance award granted by chief minister Rs.40,000/=	
12- His son is in USA and he remitted Rs.60,000/= during the year.	
13- Zakat deducted Rs.1,50,000/= and payment to workers welfare fund	Rs.1,00,000
14- Sale proceed of bonus share from private company (holding period more than one year)	Rs.10,000
15- He purchased shares of public limited company as an original allottee	Rs.30,000
16- Re-imbursement of hospitalization cost from insurance company	Rs.30,000
17- Tax deducted at source at salary	Rs.75,000
18-Rent of machinery	Rs.1,20,000
19-Free tea, coffee coupon for employee and his family	Rs.22,000

Required: Compute taxable income and tax payable

S. No.	Taxable Income	Rate of Tax
1.	Rs. 7,50,000 to Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Rs. 14,00,000 to Rs. 15,00,000	Rs.79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Rs. 15,00,000 to Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000