

**QUESTION PAPER 2011**

**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) Company
  - (b) Pakistan source income
  - (c) Principal officer
  - (d) Resident
- Q.2 What are the different types of prerequisites enjoyed by the salaried individuals? Discuss.
- Q.3
- (a) What are the conditions laid down under the income tax ordinance for Depreciation allowance?
  - (b) Explain the conditions and rates regarding initial allowance for Depreciation.
- Q.4 **Write short notes on the following:**
- (a) Return of income as assessment
  - (b) Provisional assessment
  - (c) Amendment in assessment
  - (d) Assessment of disputed property
- Q.5 **Discuss the composition of Appellate Tribunal Inland Revenue. What are the functions Performed by it?**
- Q.6 **Explain the following with reference to sales Tax Act, 1990.**
- (a) Value of supply
  - (b) Zero rating
  - (c) Sales tax return
- Q.7 **Mr. Muhammad Khurram is a registered manufacturer. Data regarding his business during August 2010 is given below:**
- |   |               |
|---|---------------|
| 1. Taxable turnover to registered person  | Rs. 2,000,000 |
| 2. Taxable turnover to Non-registered person<br>(including the amount of sales tax) | Rs. 300,000   |
| 3. Sales to retailers   | Rs. 220,000   |
| 4. Exempted to sales  | Rs. 280,000   |
| 5. Supplied to DTRE registered person   | Rs. 350,000   |
| 6. Zero rated supply  | Rs. 200,000   |
| 7. Taxable purchases from registered person   | Rs. 300,000   |
| 8. Taxable purchases from non-registered person                                     | Rs. 350,000   |

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9. Taxable purchases from wholesaler	Rs. 190,000
10. Purchased raw material (Used taxable and exempt supplies)	Rs. 300,000
11. Acquisition of fixed assets from registered persons	Rs. 1,200,000
12. Imported goods	Rs. 400,000
13. Carry forward of input tax from previous month	Rs. 35,000
14. Sales tax paid on electricity bill	Rs. 80,000
15. General sales tax paid on Sui Gas bill	Rs. 20,000

Note: Sales tax registration number is printed on utility bills.

**Calculate sales tax payable.**

**Q.8 Mr. Adnan Shafiq, an employee, is in receipt of the following remuneration, allowances and benefits, for the tax year ended 30th June, 2010.**

- Basic Salary Rs. 30,000 per month (20,000 — 2,000 — 40,000).
- Special pay Rs. 20,000.
- Bonus for the year Rs. 40,000.
- Amount of gratuity received (approved by FBR) Rs. 285,000.
- Conveyance allowance Rs. 15,000. Car owned and run by employee. (Tax paid with Motor vehicle tax Rs. 750).
- Income from business Rs. 150,000.
- Free furnished accommodation provided by the employer.
- Gas, electricity and water charges for the year paid by the employer Rs. 18,600.
- Gain on sale of shares of private company Rs. 40,000 (Disposed off after one year)
- Special allowance for meeting certain business expenses for the year Rs. 10,000.
- Actual expenses incurred wholly and necessarily for performance of duty Rs. 9,400.
- Dividend from public limited company Rs. 15,000.
- Income from property Rs. 180,000.
- Books purchased Rs. 2,000.
- Agricultural income Rs. 90,000.
- Zakat paid Rs. 35,000.
- Share from AOP Rs. 50,000.

The following amount is claimed for rebate:

- Donation to government hospital Rs. 80,000.
- Donation to Baitul Mal Rs. 5,000.

Required: You are requested to compute:

- taxable income;
- average relief; and
- Tax payable by Mr. Adnan Shafiq. Deduction of tax at source has already been made by the employer bring the year amounting to Rs. 12,000 from his monthly salary.