

QUESTION PAPER 2013

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 Income Tax ordinance 2001.
(a) Approved gratuity fund (b) Company
(c) Pakistan source fund (d) Taxpayer

Q.2 What are the legal provisions governing the residential status of individual. Association of persons and company in Pakistan.

Q.3 What are the different types of prerequisites enjoyed by the salaried individual. Discuss.

Q.4 Briefly explain the legal provisions governing the filing of return of total income under the Income Tax ordinance 2001.

Q.5 Discuss the composition of “Appellate Tribunal Inland Revenue”. What are the functions performed by it.

Q.6 Discuss the following topics under the sales tax legal frame work:

- (a) Compulsory registration (b) De-registration
(b) Legal provisions regarding furnishing of sales tax return

Q.7 Compute the sales tax liability of Mr. Khurram, a registered manufacturer, for the month of January 2013 with the help of following information:

(1) Sales to registered persons	Rs. 750,000
(2) Sales to unregistered person (Inclusive of sales tax)	900,000
(3) Sales – not included in taxable activity	60,000
(4) Advance received from customers for taxable supplies	100,000
(5) Sales to a company in export processing zone	80,000
(6) Sales to employees (exclusive of sales tax)	70,000
(7) Goods imported	500,000

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(8) Custom duty paid on goods imported @ 20%	
(9) Advances paid to supplier for the purchase of taxable Goods	120,000
(10) Fixed assets imported	500,000
(11) Local purchases against tax invoices	300,000
(12) Sales tax paid on electricity bills used in factory (NTN is printed on bill)	15,500
(13) Sales tax paid on electricity bills used in residential colony for employees.	20,000
(14) Water charges paid	10,000
(15)	

Q.8 The following information is available in respect of Prof. Shahid Shafiq (working as a teacher in recognized university) for the tax year ended 30th June 2012.

1. Basic salary	Rs. 250,000
2. Bonus	50,000
3. Entertainment allowance	20,000
4. Conveyance allowance	15,000
5. Income from fruit processing business	200,000
6. Free furnished accommodation provided by employer With land area of 500 sq. yards	300,000
7. Property income	240,000
8. Collection charges on property	24,000
9. Shares from association of persons	25,000
10. Leave fare assistance (travelled within Pakistan)	20,000
11. Accident insurance premium paid by employee	6,000
12. Donation to recognized educational institution	50,000
13. Zakat deducted	40,000
14. Income of non-professional writer	35,000
15. Capital gain on sales of securities (holding period more than One year)	20,000
16. Golden handshake during tax year	400,000

(a) Tax deducted at source Rs. 8,800.

(b) Agricultural income Rs. 70,000

(c) In the last three years, his average rate of tax was 25%, 20% and 15%.