

QUESTION PAPER 2017

Attempt any FIVE questions including Question No. 8, which is compulsory.
All questions carry equals marks.

Business Taxation	B. Com. Part-II 2017	Punjab University
Time: 3 hrs	Paper: BC-405	Max. Marks: 100

Q.1 Define and explain the following terms with reference to Income Tax Ordinance 2001.

- (a) Principal Officer (b) Income
(c) Industrial undertaking (d) Tax Year

Q.2 Discuss the legal provisions regarding exemption of the following under the Income Tax Ordinance 2001.

- (a) Medical Charges (b) Pension
(c) Special Allowance

Q.3 Discuss in detail the tax treatment under the Income Tax Ordinance 2001, for the following facilities provided by the employer to the employee's.

Q.4 What are the conditions laid down under the Income Tax Ordinance 2011 for depreciation allowance?

Q.5 Explain in detail the provision of Income Tax Ordinance 2001, in respect of appeal to Appellate Tribunal and the composition of Appellate Tribunal Inland Revenue.

Q.6 Define and explain the following terms with reference to Sales Tax Act 1990:

- (a) Arrears (b) Taxable Activity

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Q.7 From the following data of Mr Muhammad Sarwar, distributor of goods, calculate his liability of sales tax of August 2016:

1	Taxable turnover to registered persons	Rs. 3,800,000
2	Taxable turnover to non-registered persons	260,000
3	Taxable turnover to registered retailers (Retail price)	500,000
4	Supplies of goods specified in 3 rd schedule (Retail price Rs. 150,000)	100,000
5	Supplies to associated company located in Export Processing Zone	160,000
6	Supplies to government hospital (Consists of less than 50 beds)	400,000
7	Supplies to government hospital (Consists of more than 50 beds)	180,000
8	Supplies to private hospital	275,000
9	Taxable supplies at discounted price @ 10% (Normal business practice) Due to relationship special discount allowed @ 15%	190,000
10	Taxable purchases from registered persons	230,000
11	Taxable purchases against tax invoices	160,000
12	Purchases of pre-fabricated building	600,000
13	Imported taxed goods	350,000

Q.8 Professor Kamran (working as a full time teacher in recognized non-profit educational institution)

Supplies the following information for the tax year ended on 30th June 2016.

1	Basic salary	Rs. 850,000
2	Commission	150,000
3	Allowed his personal car for official use. Re-imbusement of car running and maintenance expenses (10% percent of these expenses incurred for personal use)	80,000
4	House rent allowance	425,000
5	Free gas, water and electricity (Employer provides services from his own resources)	20,000
6	Life insurance premium paid by employer	35,000
7	Performance award	348,000
8	Income from property (Net)	200,000
9	Profit from speculation business	50,000
10	Rent of agricultural land used for agricultural purpose	70,000
11	Zakat deducted by bank	40,000
12	Mark up on house finance scheme	60,000
13	Shares from AOP	30,000
14	Donation to relief fund approved by government	140,000
15	Tax deducted at source	70,000

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REQUIRED: Compute taxable income and tax payable.

Sr #	Taxable income	Rate of tax
1	Rs. 750,000 to 1,400,000	Rs. 14,500 + 10% of the amount exceeding Rs. 750,000
2	Rs. 1,400,000 to 1,500,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 1,400,000
3	Rs. 1,400,000 to 1,800,000	Rs. 92,000 + 15% of the amount exceeding Rs. 1,500,000

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