

QUESTION PAPER 2018

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

Business Taxation	B. Com. Part-II 2018	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) Accumulated profits b) company
c) Permanent Establishment d) Speculation Business

Q.2. Discuss the legal Provisions regarding Exemption of the following under the Income Tax Ordinance 2001:

- a) Exemption under international agreement
b) Perquisites received by employee
c) Export of computer software

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. Briefly Explain the legal provisions governing the filing of return of total income under the Income Tax Law.

Q.5. Discuss the power and function of Commissioner Inland Revenue.

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

- a) Active Tax Payer b) Manufacture
c) Return d) Supply

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Q.7. Mr. Shafiq is engaged in manufacturing business. He is registered with sales tax as manufacturer. Data regarding his business during August 2017 is given below. During the period Mr. Shafiq makes some transaction, of purchase and supplies, on credit basis.

Sales to registered persons (includes supplies to public sector organization Rs. 5,00,000)	Rs. 40,00,000
Sales to non-registered person	10,00,000
(including the amount of sales tax amounting to)	2,00,000
Zero – rated supplies.....	1,80,000
Supplies made for personal use.....	2,30,000
Supplies donated to charitable organizations.....	1,50,000
Taxable purchases from registered persons (on credit basis)	6,00,000
Purchases from wholesaler.....	1,00,000
Purchase of office equipment's.....	3,00,000
Our chase of items supplies of the 9 th schedule.....	90,000
Acquisition of fixed assets from registered persons.....	10,00,000
(Fixed assets put into operations during August 2017)	
Debit notes issued for taxable purchases	1,25,000
Sales tax debit	50,000
Input Tax amounting to Rs. 77,500 was paid in July 2017	
But in adepty not claimed in the return for July 2017	

Require: Compute the sales tax liability for the month of August 2017

Q.7. Mr. Tafiq received the following emoluments during the year ended 30th June 2017:

1. Basic Salary (Rs. 30,000-5,000-60,000) p.m Rs 40,000
2. Free accommodation provided by employer. He was entitled to a house allowance of 60% of basic salary
3. Cost of motor vehicle (conveyance provided by employer for personal use)..... 7,00,000
4. Concessional loan obtained from employer @ 8% p.a.30,00,000
5. Free passage 4 air tickets provided by an airline to its employer @ 40,000 per ticket
6. Medical allowance50,000
7. Dearness allowance12,000
8. Income from property 2,00,000

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9. Life insurance premium paid by employee 1,20,000
10. Income from business 1,50,000
11. Dividend received from public company 10,000
12. Share from Association of person 25,000

Required: Calculate tax payable by Mr. Tafiq.

	Taxable Income	Rate of Tax
1.	Where the taxable income exceeds Rs. 7,50,000 but doesn't exceed Rs. 14,00,000	Rs. 14,500 + 10% of the amount exceeding Rs. 7,50,000
2.	Where the taxable income exceeds Rs. 14,00,000 but doesn't exceed Rs. 15,00,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 14,00,000
3.	Where the taxable income exceeds Rs. 15,00,000 but doesn't exceed Rs. 18,00,000	Rs. 92,000 + 15% of the amount exceeding Rs. 15,00,000