

## Model Paper

### GOVERNMENT COLLEGE UNIVERSITY, FAISALABAD

#### QUESTION PAPER FOR EXTERNAL EXAMINATION

B.Com. Part 2<sup>nd</sup>

Course Code: **BC-405**

Time Allowed: 03:00 Hours

Annual -2012

Course Title: **Business Taxation**

Maximum Marks: 100

Pass Marks: 40%

Roll No.....

**Note:** Attempt any five questions including Q#8, which is compulsory. All questions carry equal marks

**Q. No.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. No.2** what are the different types of perquisites enjoyed by the salaried individuals? Discuss.

**Q. No.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. No.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. No.5** Discuss the composition of Appellate Tribunal Inland Revenue. What are the functions performed by it?

**Q. No.6** Explain the following with reference to Sales Tax Act, 1990.

- a) Value of Supply
- b) Zero Rating
- c) Sales Tax Return

**Q. No.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. 20, 00,000
2. Taxable turnover to non registered person (including the Amount of Sales Tax)	3, 00,000
3. Sales to Retailers	2, 20,000

4. Exempted sales	2, 80,000
5. Supplies to DTRE registered persons	3, 50,000
6. Zero Rated supplies	2, 00,000
7. Taxable purchases from registered person	3, 00,000
8. Taxable purchases from non registered person	3, 50,000
9. Taxable purchases from wholesalers	1, 90,000
10. Purchased raw material (used taxable and exempt supplies)	3, 00,000
11. Acquisition of Fixed assets from Registered persons	12, 00,000
12. Imported goods	4, 00,000
13. Carry forward of input tax from previous month	35,000
14. Sales Tax paid on electricity bill	80,000
15. General Sales tax paid on Sui Gas bill	20,000

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

**Q. No.8** Mr.Adnan Shafiq, an employee, is receipt of the following remuneration, allowances and benefits, for the tax year ended 30<sup>th</sup> June 2010:

- a) Basic salary Rs.30, 000 per month (20,000- 2,000- 40,000).
- b) Special pay Rs.20, 000
- c) Bonus for the year Rs.40, 000
- d) Amount of gratuity received (approved by FBR) Rs. 2, 85,000
- e) Conveyance allowance Rs. 15,000. Car owned and run by employee.( Tax paid with motor vehicle tax Rs.750).
- f) Income from business Rs. 1, 50, 000
- g) Free furnished accommodation provided by employer.
- h) Gas, electricity and water charges for the year paid by the employer Rs. 18, 600.
- i) Gain on sales of shares of private company Rs. 40, 000(Disposed off after one year).
- j) Special allowance for meeting certain business expense for the year Rs.10, 000.Actual expenses incurred wholly and necessarily for erformance of duty Rs. 9, 400.
- k) Dividend from public limited company Rs. 15, 000.
- l) Income from property Rs. 1, 80, 000
- m) Books purchased Rs. 2, 000.
- n) Agriculture Income Rs. 90, 000.
- o) Zakat paid Rs.35, 000.

P) Share from AOP Rs. 50, 000.

The following amount claimed for rebate.

- 1 Donation to Government hospital Rs. 80, 000.
- 2 Donation to Baitul Mal Rs. 5, 000.

**Required:.** You are requested to compute:

- a) Taxable Income ;
- b) Average Relief ; and
- c) Tax payable by Mr.Adnan Shafiq. Deduction of tax at source has already been made by the employer during the year amounting to Rs. 12,000 from his monthly salary.

	Taxable Income	Rate of Tax
1	Rs 5,50,001 to Rs. 6,50,000	4.50%
2	Rs 6,50,001 to Rs. 7,50,000	6.00%
3	Rs 7,50,001 to Rs. 9,00,000	7.50%
4	Rs 9,00,001 to Rs. 10,50,000	9.00%
5	Rs 10,50,00 to Rs. 12,00,000	10.00%

Marginal Relief:

1. Total income does not exceed Rs.5, 50,000:Tax payable on maximum of last slab plus 20% of the amount exceeding the last slab limited
2. Total income does not exceed Rs. 10, 50,000 Tax payable on maximum of last slab plus 30% of the amount exceeding last slab limited.
3. Total income does not exceed Rs. 22, 50,000 Tax payable on maximum of last slab plus 40% of the amount exceeding last slab limit.