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 30th 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 enformance 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.

<table>
<thead>
<tr>
<th>Taxable Income</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Rs 5,50,001 to Rs. 6,50,000</td>
<td>4.50%</td>
</tr>
<tr>
<td>2 Rs 6,50,001 to Rs. 7,50,000</td>
<td>6.00%</td>
</tr>
<tr>
<td>3 Rs 7,50,001 to Rs. 9,00,000</td>
<td>7.50%</td>
</tr>
<tr>
<td>4 Rs 9,00,001 to Rs. 10,50,000</td>
<td>9.00%</td>
</tr>
<tr>
<td>5 Rs 10,50,00 to Rs. 12,00,000</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

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.