

Attempt FIVE Questions in all. Question No. 1 is Compulsory. All Questions carry equal marks.

1. Mr. Haseeb Tariq is working as teacher in Government College of Commerce. He has furnished the following data for the tax year ended 30th June 2017. Calculate taxable income and tax payable of Mr. Haseeb Tariq. 20

Details	Rs.
Salary per month	60,000
Furnished accommodation provided by the employer, entitled amount of rent is	350,000
Conveyance provided by the employer for private use, cost of acquisition of vehicle was	600,000
Domestic servant salary paid by the employer	60,000
Telephone bills reimbursed by the employer	30,000
Donated medicines to social security hospital	115,000
Compensation for early retirement	250,000
Project allowance	40,000
Lahore gymkhana membership fee paid by the employer	25,000
Rental income from open plot	150,000
Repair charges, Rs. 25,000, collection charges, Rs. 7,000, and un-adjustable advance rent received Rs. 50,000.	
Royalties on professional books	45,000
Income from fish catching business, the same is invested in prize bonds.	55,000
Performance award granted by the chief minister	20,000
His son is in USA and remitted the amount to him during the year	60,000
Zakat deducted	150,000
Payment to worker welfare fund	100,000
Gain on sale of securities (holding period more than four years).	40,000
Sale proceed of bonus share from private company (holding period more than one year)	10,000
Cash with drawl from bank	60,000
Tax deducted at source from salary.	30,000
Taxable Income	Rate Of Tax
Where taxable income exceeds Rs. 14,00,000 but does not exceed Rs. 15,00,000	Rs. 79,500 + 12.5% of the amount exceeding Rs. 14,00,000
Where taxable income exceeds Rs. 15,00,000 but does not exceed Rs. 18,00,000	Rs. 92,000 + 15% % of the amount exceeding Rs. 15,00,000

2. Define and explain the following terms with reference to the Income Tax Ordinance 2001: 20
a) Tax Payer b) Tax Year c) Resident Individual d) Assessment

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: 20
a) Accommodation. b) Conveyance. c) Loan to employees. d) Entertainment

4- Discuss the composition of "Appellate Tribunal Inland Revenue". What are the functions performed by it? 20

5- Explain various types of depreciation allowances. What are the conditions laid down under the Income Tax Ordinance for depreciation allowances? 20

6- Discuss the Non Allowable Deductions under the head Income from Business. 20

7- Explain in detail the provisions of Income Tax Ordinance 2001, in respect of an appeal to Appellate Tribunal Inland Revenue. 20

8- Define and explain the following terms under the Sales Tax Act, 1990: 20
a) Input Tax b) Taxable Supply c) Taxable Activity d) Manufacturer

9- From the following data of Mr. Ahmed Tariq, a registered manufacturer, calculate his liability of sales tax for August 2017: 20

Details	Rs.
Supplies to registered persons	20,00,000
Supplies to registered retailers	10,00,000
Supplies to the needy person	150,000
Taxable supplies @20% discount(Normal business practice)	120,000
Taxable supplies to associated persons (Open market price Rs. 180,000)	130,000
Exports sales	300,000
Exempt supplies	280,000
Free replacement of faulty parts on request from customer under warranty	150,000
Purchases from registered persons	14,00,000
Purchase of electrical fittings for renovation of factory building	60,000
Purchase of gift items for customers	75,000
Purchases from un-registered person	450,000
Unsold stock purchased 30 days before the application of registration	180,000
Acquisition of fixed assets for the month of July 2017	700,000