

**ALLAMA IQBAL OPEN UNIVERSITY ISLAMABAD  
(Department of Business Administration)**

**TAXATION MANAGEMENT (530)**

**CHECKLIST**

**SEMESTER: AUTUMN 2013**

This packet comprises the following material:

1. Text Books (Two)
2. Course Outline
3. Assignment No. 1,2
4. Assignment Forms ( 2 sets )

Please contact at the address given below, if you find anything missing in the packet.

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**(Department of Business Administration)**

**WARNING**

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

**Course: Taxation Management (530)**  
**Level: MBA**

**Semester: Autumn 2013**  
**Total Marks: 100**

**ASSIGNMENT No. 1**

**Instructions:** *(You must answer the question in your own words. Copying from books is not permissible. Give supporting calculations where necessary)*

- Q. 1 Analyze the salient features of Federal Budget 2013-14 regarding income tax. **(20)**
- Q. 2 (a) What are the various sources of revenue for the government?  
(b) Briefly explain the tax issues of capital expenditures. **(20)**
- Q. 3 Briefly discuss the various heads of income as discussed in Income Tax ordinance (as amended). **(20)**
- Q. 4 Discuss the procedure of set off and carry forward of losses of various heads of income. **(20)**
- Q. 5 How the income tax return is filed by various categories of assesses? Discuss in light of legal provisions. **(20)**

**ASSIGNMENT No. 2**

**Total Marks: 100**

This assignment is a research-oriented activity. You are required to obtain information relating to any business or commercial organization and prepare a paper of about 10 pages on the topic allotted to you. The students are required to prepare two copies of Assignment No. 2. Submit one copy to your teacher for evaluation and the second copy for presentation in the classrooms in the presence of your resource persons and classmates, which will be held at the end of the semester prior to final examination.

Include the following main headings in your report:-

- a) Introduction to the topic
- b) Important sub-topics
- c) Practical study of the organization with respect to the topic

- d) Review of theoretical and practical situations
- e) Merits, demerits, deficiencies or strengths of the organization with respect to your topic
- f) Conclusions and recommendations
- g) Annex, if any

You must use transparencies, charts or any other material for effective presentation. You are also required to select one of the following topics according to the last digit of your roll number. For example, if your roll number is D-3427185 then you will select topic No. 5 (the last digit):-

**List of Topics:**

- 1. Tax related issues of a salaried individual
- 2. Tax related issues of a company
- 3. Application of Legal provisions regarding filing of return of income
- 4. Levy of exemption from and repayment of custom duties
- 5. Legal provisions regarding filing of return of income
- 6. Set off and carry forward of losses
- 7. Procedure for refund of tax
- 8. Registration for sales tax
- 9. Exemptions provided in sales tax
- 10. Exercise of powers vested in the hands of income tax authorities

## **TAXATION MANAGEMENT (530) COURSE OUTLINE**

**Unit 1: INTRODUCTION TO INCOME TAX, HISTORY AND PROSPECTIVE**

- 1. Introduction to Taxation
  - Categories of Revenue
  - Requirements for a Good Tax Structure
  - Nature of Tax Burden
  - WTO and Tax
- 2. Income Tax Law in Pakistan
  - Income Tax Reform Commission
  - Scope of Income Tax Law
  - Income Tax Ordinance (as Amended)
    - \* Extent of Income Tax Ordinance (as Amended)
    - \* Components of Income Tax Law
      - a) Income Tax Ordinance (as Amended)
      - b) Income Tax Rules
      - c) Notification, Instructions and Orders
      - d) Income Tax Case Law
      - e) Finance Act or Income Ordinance
- 3. Legal Definitions of Various Terms and Concepts used in the Ordinance e.g. Agriculture Income, Assessment, Company Individual etc.

4. Persons and Income which are Exempt from Tax under Income Tax Ordinance e.g. Agriculture Income, Salary of Employees of Foreign Government, Pensions etc.

**Unit 2: INCOME TAX ORDINANCE**

1. Persons and Income which are Exempt from Tax under Income Tax Ordinance e.g. Agriculture Income, Salary of Employees of Foreign Government, Pensions etc.
2. Heads of Income - I
  - a) Income from Salaries
    - Features of Salary Income
    - Perquisites
    - Exemptions
    - Tax Computation
    - Reduction in Tax Liability
    - Special Relief for Teachers and Researchers
    - Special Rebate for Senior Citizens
    - Average Relief
  - b) Income from House Property
    - Computation of Rent Amount
    - Exempted Income from Property
    - Unadjusted Advance Received by Owner
    - Liability in Case of Co-Owner
    - Deductions

**Unit 3: INCOME TAX ORDINANCE**

1. Heads of Income - II
  - a) Income from Business or Profession
    - Taxability of Business Income
    - Income from Business Exempt from Tax
    - Income from Business not Taxable
    - Admissible Deductions
  - b) Capital Gains
    - Computation of Capital Gains
    - Deduction of Capital Losses
    - Exempted Capital Gains
  - c) Income from other Sources

**Unit 4: INCOME TAX ORDINANCE**

1. Capital and Revenue
  - Differentiation
  - Capital & Revenue Expenditures
  - Capital and Revenue Receipts
2. Depreciation
  - Conditions for Allow Ability of Depreciation
  - Rates for Computation of Depreciation Allowance
3. Set off and Carry Forward of Losses

**Unit 5: INCOME TAX ORDINANCE**

1. Assessment Procedure
  - a. Cycle of Assessment
  - b. Legal Provisions Regarding Filing of Return of Income.
  - c. Various types of Assessments Provided in Income Tax ordinance
  - d. Mode of Payment of Tax (Deduction of Tax at Source, Advance Payment of Tax, Payment of Tax at the Time of Filing the Return, Payment of Tax in Demand)
  - e. Recovery of Tax by Income Tax Officer
  - f. Procedure for Refund of Tax
2. Simplified Procedure of Assessment (self Assessment Scheme)
  - a. New Simplified Procedure
  - b. Taxation Measure Applied New Simplified Procedure
3. Penalties Offenses and Prosecutions

**Unit 6: INCOME TAX AUTHORITIES**

1. Income Tax Authorities
  - Hierarchy
  - Functions of Income Tax Authorities
  - Powers Vested in the Hands of Income Tax authorities
  - Functions and Powers of Federal Board of Revenue (FBR)
2. Appeals and Revisions
3. Miscellaneous
  - a. Documents, Certificates etc. to be furnished by Certain Companies
  - b. Wealth Statement
  - d. Tax or Refund to be Calculated to the Nearest Rupee
  - e. Ratification of Mistakes
  - f. Power to Make Rules

**Unit 7: CUSTOMS ACT and CENTRAL EXCISE ACT AND RULES**

**Customs Act**

- Definitions
- Levy of Exemption from and Repayment of Custom Duties
- Drawbacks
- Appointment of Officers of Customs and their Powers
- Offences and Penalties
- Appeals and Revisions

**Central Excise Act and Rules**

- Definitions
- Duties to be Levied and Related Provisions
- Exemptions
- Offences and Penalties
- Power of Adjudication
- Appeals and Revision

**Unit 8: SALES TAX-I**

- History and Introduction of Sales Tax in Pakistan
- Scope of Sales Tax
- Knowledge Regarding Sales Tax Act and Subsequent Amendments
- Legal Definitions of Various Terms and Concepts used in Sales Tax Act
- Registration for Sales Tax
- Charge of Sales Tax and Exemptions for Sales Tax
- Appointment of Officers of Sales Tax and their Powers

**Unit 9: SALES TAX-II**

- Exemptions Provided in Sales Tax
- Issuance of Licenses
- Assessment Procedures
- Payment and Recovery of Tax
- Appeals & Revision Procedures and References to High Court
- Maintenance, Production and Inspection of Accounts
- Penalties, Offenses and Prosecutions
- Refunds
- Tax not Assessed and Rectification of Mistakes

**BOOKS RECOMMENDED:**

Latest Editions of the following Publications:

1. Income Tax (Principles & Practice): By Muhammad Muazzam Mughal.
2. Sales Tax Central Excise and Custom Duty Zakat and Ushr: By Muhammad Muazzam Mughal
3. Income Tax Law with Practical Problem: By Prof. Dr. Khawaja Amjad Saeed.
4. Complete Income Tax Law: By S.A. Salam.
5. Income Tax Law: By Luqman Baig.
6. Income Tax Ordinance: By Government of Pakistan
7. Sales Tax Act: By Government of Pakistan
8. Students are expected to Read Periodicals and Daily for the Refinement of their Knowledge.

