

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

TAXATIONN MANAGEMENT (530/5526)

CHECKLIST

SEMESTER: SPRING, 2014

This packet comprises the following material:

1. Text book
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 out of the packet:-

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Course Coordinator**

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(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 (530/5526)

Semester: Spring, 2014

Level: MBA

Total Marks: 100

Pass Marks: 40

ASSIGNMENT No. 1

- Q. 1 Suggest various steps required to improve tax collection procedure. (20)
- Q. 2 Why various heads of income are studied separately for calculation of income tax liability of different categories of assesses? (20)
- Q. 3 Select the best assessment procedure by taking into consideration various assessment procedure. (20)
- Q. 4 You, as tax consultant, are given a task to prepare a brief report regarding the various tax reforms needed in the current tax rules. (20)
- Q. 5 Discuss various tax related issues of capital and revenue expenditures. (20)

GUIDELINES FOR ASSIGNMENT # 1

The student should look upon the assignments as a test of knowledge, management skills, and communication skills. When you write an assignment answer, you are indicating your knowledge to the teacher:

- Your level of understanding of the subject;
- How clearly you think;
- How well you can reflect on your knowledge & experience;
- How well you can use your knowledge in solving problems, explaining situations, and describing organizations and management;
- How professional you are, and how much care and attention you give to what you do.

To answer a question effectively, address the question directly, bring important related issues into the discussion, refer to sources, and indicate how principles from the course

materials apply. The student must also be able to identify important problems and implications arising from the answer.

For citing references, writing bibliographies, and formatting the assignment, APA format should be followed.

ASSIGNMENT No. 2

Total Marks: 100

Pass Marks: 40

This assignment is a research-oriented activity. You are required to obtain information from a business/commercial organization and prepare a report of about 1000 words on the issue allotted to you to be submitted to your teacher for evaluation.

You are required to select one of the following issues according to the last digit of your roll number. For example, if your roll number is P-3427180 then you will select issue # 0 (the last digit): -

ISSUES:

1. Issues related to filing of return of a salaried individual
2. Issues related to filing of return of a company
3. Tax calculation procedure of individuals
4. Various legal provisions related to custom duties
5. Set off and carry forward of losses in various heads of income
6. Procedure for refund of sales tax
7. Registration for sales tax
8. Exemptions provided in sales tax
9. Exemptions applicable in various heads of income
0. Legal provisions related to custom duties

The report should follow the following format:

1. Title page
2. Acknowledgements
3. An abstract (one page summary of the paper)
4. Table of contents
5. Introduction to the issue (brief history & significance of issue assigned)
6. Practical study of the organization (with respect to the issue)
7. Data collection methods
8. SWOT analysis (strengths, weaknesses, opportunities & threats) relevant to the issue assigned
9. Conclusion (one page brief covering important aspects of your report)
10. Recommendations (specific recommendations relevant to issue assigned)
11. References (as per APA format)
12. Annexes (if any)

GUIDELINES FOR ASSIGNMENT # 2:

- 1.5 line spacing
- Use headers and subheads throughout all sections
- Organization of ideas
- Writing skills (spelling, grammar, punctuation)
- Professionalism (readability and general appearance)
- Do more than repeat the text
- Express a point of view and defend it.

WORKSHOPS

The workshop presentations provide you an opportunity to express their communication skills, knowledge & understanding of concepts learned during practical study assigned in assignment # 2.

You should use transparencies and any other material for effective presentation. The transparencies are not the presentation, but only a tool; the presentation is the combination of the transparencies and your speech. Workshop presentation transparencies should only be in typed format.

The transparencies should follow the following format:

- 1) Title page
- 2) An abstract (one page summary of the paper)
- 3) Introduction to the issue (brief history & significance of issue assigned)
- 4) Practical study of the organization (with respect to the issue)
- 5) Data collection methods
- 6) SWOT analysis (strengths, weaknesses, opportunities & threats) relevant to the issue assigned
- 7) Conclusion (one page brief covering important aspects of your report)
- 8) Recommendations (specific recommendations relevant to issue assigned)

GUIDELINES FOR WORKSHOP PRESENTATION:

- Make eye contact and react to the audience. Don't read from the transparencies or from report, and don't look too much at the transparencies (occasional glances are acceptable to help in recalling the topic to cover).
- A 15-minute presentation can be practiced several times in advance, so do that until you are confident enough. Some people also use a mirror when rehearsing as a substitute for an audience.

WEIGHTAGE OF THEORY & PRACTICAL ASPECTS IN ASSIGNMENT # 2 & WORKSHOP PRESENTATIONS

Assignment # 2 & workshop presentations are evaluated on the basis of theory & its applicability. The weightage of each aspect would be:

Theory:	60%
Applicability (practical study of the organization):	40%

TAXATION MANAGEMENT (530/5526)

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.

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