

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD

Level: Bachelor
Paper: **Business Taxation (456)**
Time Allowed: 3hrs

Semester: Spring 2009
Maximum Marks: 100
Pass Marks: 40

**Note:- ATTEMPT FIVE QUESTIONS. ALL CARRY EQUAL MARKS.
QUESTION NO. 8 IS COMPULSORY.**

Q.NO.1	Define & Explain the following terms with reference to Income Tax Ordinance 2001 as used there in; (a) Assessee (b) Income Tax year (c) Non-Resident (d) Appellate Tribunal (e) Business/Profession.	20
Q.NO.2	Advance tax collected by the collector of customs is considered as final tax on the Income of importer arising from imports, except in certain situations. List such exceptions.	20
Q.NO.3	Discuss the provisions of the Income Tax Ordinance 2001, regarding Non-adjustable amount received from a tenant by the owner of a building. Give example.	20
Q.NO.4	Briefly explain the term "Legal Representative" with reference to Income Tax Ordinance . Discuss obligations of legal representative.	20
Q.NO.5	Discuss the Provisions of Income Tax Ordinance regarding "set off" and "carry forward" of the losses, under the heads "Income from business" and "capital gains". Give examples.	20
Q.NO.6	Discuss the provisions of Sales Tax Act, 1990 with regard to the following. (a) Filing of return (b) Voluntary revision of return (c) Revision of return during or after issuance of Notice of Audit.	20
Q.NO.7	With reference to Sales Tax Act, identify the situations under which a registered person shall not be entitled to claim or deduct input tax. Give example.	20
Q.NO.8	From the following particulars compute taxable income & tax payable for the tax year 2009. Mr. Manto worked in Germany for a period of five years and he did not visit Pakistan for a single day. He returned to Pakistan on July 1, 2008 and immediately joined at Karachi a well known Hotel. Assume the details of his income for the tax year 2009 are as follows. (i) Basic salary (per month).....Rs. 1,00,000. House Rent allowance per month Rs. 30,000. Medical Allowance per month Rs. 10,000. (ii) As per terms agreed, tax payable on Salary will be paid by hotel. (iii) During the year, he also received Rs. 94,000 (net of withholding tax) from a local university for giving lecture on hotel management. (iv) On July 15, 2008, he received a lump-sum amount of Rs. 40,00,000 through bank final settlement from Germany hotel. (v) He paid "Zakat" of Rs. 2,00,000 to approved organization through cheque. Required:- Compute Mr. Manto's taxable income & tax payable for 2009.	20