

ALLAMA IQBAL OPEN UNIVERSITY

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



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

**Note:- ATTEMPT FIVE QUESTIONS. ALL QUESTIONS 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) Agricultural Income (b) Capital Asset (c) Income (d) Tax Year (e) Principal Officer	20																																										
Q.No.2	Explain the legal provisions governing the exemptions of the following under the Second Schedule of Income Tax Ordinance,2001 (a) Medical Allowance (b) Income Tax enabled Services (c) Sales of Shares (d) Income on approved Non-Profit Org. (NPO)	20																																										
Q.No.3	What is "Provident Fund"? Discuss the various treatment of provident-fund for inclusion in total income and exemption from Income Tax. Give example.	20																																										
Q.No.4	Explain specifically at-least ten "not allowable deductions" under the head "Income from Business".	20																																										
Q.No.5	Discuss the following types of Assessment made by the commissioner of Income Tax. (a) Return of Income (b) Ammendment in assessment (c) Provisional Assessment (d) Assessment of disputed property	20																																										
Q.No.6	Define & Explain the following terms of "Sales Tax Act". (a) Associated person (b) Input Tax (c) Wholesaler (d) Zero rated supply	20																																										
Q.No.7	Discuss the powers and functions of "Regional Commissioner" of Income Tax.	20																																										
Q.No.8	From the following data, calculate the Income Tax payable by Mr. Ali for the Tax year ending on 30 th June, 2009. <table border="1" style="margin-left: 20px; width: 80%; border-collapse: collapse;"> <tbody> <tr><td style="width: 5%;">1.</td><td style="width: 75%;">Basic salary per month.</td><td style="width: 20%;">Rs. 40,000.</td></tr> <tr><td>2.</td><td>Bonus - - - -</td><td>Rs. 20,000.</td></tr> <tr><td>3.</td><td>Rent ceiling paid by the employer.</td><td>Rs. 85,000</td></tr> <tr><td>4.</td><td>Medical bills reimbursed.</td><td>Rs. 30,000.</td></tr> <tr><td>5.</td><td>Conveyance Allowance - - -</td><td>Rs. 10,000.</td></tr> <tr><td>6.</td><td>Interest free loan from employer.</td><td>Rs. 90,000.</td></tr> <tr><td>7.</td><td>Net interest on securities.</td><td>Rs. 4,900.</td></tr> <tr><td>8.</td><td>Free Karachi – London return ticket.</td><td>Rs. 70,000.</td></tr> <tr><td>9.</td><td>Income of Professional writer.</td><td>Rs. 16,000.</td></tr> <tr><td>10.</td><td>Amount of gratuity received.</td><td>Rs. 1,80,000.</td></tr> <tr><td>11.</td><td>Donation to approved organization.</td><td>Rs. 25,000.</td></tr> <tr><td>12.</td><td>Zakat Deducted.</td><td>Rs. 8,000.</td></tr> <tr><td>13.</td><td>Share from AOP.</td><td>Rs. 10,000.</td></tr> <tr><td>14.</td><td>Capital Loss.</td><td>Rs. 15,000.</td></tr> </tbody> </table>	1.	Basic salary per month.	Rs. 40,000.	2.	Bonus - - - -	Rs. 20,000.	3.	Rent ceiling paid by the employer.	Rs. 85,000	4.	Medical bills reimbursed.	Rs. 30,000.	5.	Conveyance Allowance - - -	Rs. 10,000.	6.	Interest free loan from employer.	Rs. 90,000.	7.	Net interest on securities.	Rs. 4,900.	8.	Free Karachi – London return ticket.	Rs. 70,000.	9.	Income of Professional writer.	Rs. 16,000.	10.	Amount of gratuity received.	Rs. 1,80,000.	11.	Donation to approved organization.	Rs. 25,000.	12.	Zakat Deducted.	Rs. 8,000.	13.	Share from AOP.	Rs. 10,000.	14.	Capital Loss.	Rs. 15,000.	20
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Required:- Compute Mr. Ali's Taxable Income & Tax Payable for 2009.																																												