

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD

Level: MBA

Paper: Taxation Management (530)

Time Allowed: 3 hrs

Semester: Spring 2006

Maximum Marks: 100

Pass Marks: 40

Note: - ATTEMPT ANY FIVE QUESTIONS. ALL CARRY EQUAL MARKS.

Q No 1	<p>Mr. Aslam is manager of a company. Particulars of his income and payments for the tax year ended 30th June 2003 are as under:</p> <table border="0" style="width: 100%;"> <tr> <td>Basic salary</td> <td align="right">Rs. 100,000</td> </tr> <tr> <td>Conveyance allowance</td> <td align="right">8,000</td> </tr> <tr> <td>House rent allowance</td> <td align="right">48,000</td> </tr> <tr> <td>Bonus</td> <td align="right">15,000</td> </tr> <tr> <td>Entertainment allowance</td> <td align="right">3,000</td> </tr> <tr> <td>Contribution to recognized provident fund by employee</td> <td align="right">10,000</td> </tr> <tr> <td>Contribution to recognized provident fund by employer</td> <td align="right">10,000</td> </tr> <tr> <td>Interest received on provident fund @ 20 %</td> <td align="right">4,000</td> </tr> <tr> <td>Agricultural income</td> <td align="right">12,000</td> </tr> <tr> <td>Zakat paid</td> <td align="right">5,000</td> </tr> <tr> <td>Income tax deducted by employer</td> <td align="right">2,800</td> </tr> <tr> <td>Amount paid to practitioners for legal services</td> <td align="right">20,000</td> </tr> <tr> <td>Donation to approved charitable institution</td> <td align="right">10,000</td> </tr> <tr> <td>Rent income from open plot let out to an oil Company for parking of their oil tankers</td> <td align="right">33,000</td> </tr> </table> <p>Tenant contracted with the owner for the purchase of open plot and paid Rs.5000 as token money and before the date of maturity, tenant breaches the contract.</p> <p>You are required to work out his taxable income and the amount of tax payable by him?</p>	Basic salary	Rs. 100,000	Conveyance allowance	8,000	House rent allowance	48,000	Bonus	15,000	Entertainment allowance	3,000	Contribution to recognized provident fund by employee	10,000	Contribution to recognized provident fund by employer	10,000	Interest received on provident fund @ 20 %	4,000	Agricultural income	12,000	Zakat paid	5,000	Income tax deducted by employer	2,800	Amount paid to practitioners for legal services	20,000	Donation to approved charitable institution	10,000	Rent income from open plot let out to an oil Company for parking of their oil tankers	33,000	20
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Q No 2	Discuss the admissible deductions under the head "income from property"?	20																												
Q No 3	How Capital receipts can be distinguished from revenue receipts? Explain.	20																												

