

Paper 1
FINAL TERM EXAMINATION
Spring 2009
FIN623- Taxation Management (Session - 1)

Question No: 1 (Marks: 1) - Please choose one

_____ is a type of tax where the tax rate increases as the income to which the rate is applied increases.

Proportional tax

Progressive tax

Regressive tax

Corporate tax

Ref:Pg#3

™ Progressive Taxes

This is based on the “capacity to pay” principle of taxation. In this type, the rate of tax increase as the income increase.

Question No: 2 (Marks: 1) - Please choose one

If the accounting year of Mr. Aslam, a rice exporter is started from 01 January 2005 and

ending on 31st December 2005. What will be its tax year?

Tax year 2003

Tax year 2004

Tax year 2005

Tax year 2006

Question No: 3 (Marks: 1) - Please choose one

In case of lump sum receipt of income like Golden hand shake the tax payer pays tax in which of the following way?

Average of last 3 years tax rate

Option to choose current or average of last 3 years tax rate

Current tax rate

Previous year tax rate

Ref:Pg#59

Tax payer can opt to seek approval from CIT to charge lump sum payments received in a tax year at average tax rate of last three years. In this case average tax rate for last three years comes to 15%. So it is advisable to opt for charging this amount as per procedure prescribed above.

Question No: 5 (Marks: 1) - Please choose one

Suppose a Profit acquired by a cultivator from the sale of standing crops or the produce after harvesting. The profit of the cultivator will be treated in which of the following way?

Income from Business

Agriculture Income

Income from Property

Capital Gain

Ref:Pg#20

Following Income are held to be “Agricultural Income”

•Profit on sale of standing crops or the produce after harvest by a cultivating owner or tenant of land.

Question No: 6 (Marks: 1) - Please choose one

If person supplying water to the land for the purpose of growing rice in the field and he charged money from the cultivator against the water supplied.

What will be the tax treatment of such income?

Exempt as Agriculture Income

Allowed Reduction in tax rate

Allowed reduction in tax liability

Taxable as Non-Agriculture Income

Ref:Pg#19

Following Incomes are held to be “Non-Agricultural Income”

Income from sale of agricultural produce received by way of price for water supplied to land.□□

Question No: 7 (Marks: 1) - Please choose one

Mr. Imran is an employee of Provincial Government of Punjab posted in UK for two years? What will be the residential status of Mr. Imran?

Resident Individual

Non-Resident Individual

Resident HUF

Resident AOP

Ref:Pg#126

Resident Individual (Section 82)

• Is an employee or official of the Federal Government or a Provincial Government posted abroad in the tax year?

Question No: 8 (Marks: 1) - Please choose one

For a non-resident AOP which of the following condition must be satisfied?

Control and management of affairs of AOP is situated partly in Pakistan

Control and management of affairs of AOP is situated wholly in Pakistan

Control and management of affairs of AOP is situated wholly or partly in

Pakistan

None of the given options

Ref:Pg#27

Residential Status of “Association of Person”

Under the law a Firm, HUF, etc. are placed under the head AOP

Control and management of affairs of AOP is situated wholly or partly in Pakistan.

Question No: 11 (Marks: 1) - Please choose one

As part of remuneration package, a company provides for reimbursement of telephone costs on actual basis to its employees in case the facility is used for official purposes only, what are the tax consequences of this policy?

Treated as taxable

No tax consequences

Partially taxable

Not discussed in Income Tax Ordinance 2001

Ref:

Reimbursement of expenditure by the employer is Taxable

Question No: 14 (Marks: 1) - Please choose one

Clause (10) and (11) of Part 1 of second schedule related to Pension are omitted by which of the following?

Finance Ordinance 2004

Finance Ordinance 2005

Finance Bill 2006

Finance Bill 2007

Ref;Pg#87

twenty per cent of the eligible person's taxable income for the relevant tax year; Provided that an eligible person (words "a person" substituted by Finance Bill 2006)

Question No: 15 (Marks: 1) - Please choose one

Which of the following is the tax treatment for Income from property received as a rent for the year 2007?

1 / 4 of the rent is deduct able as repairs allowance

1 / 2 of the rent is deduct able as repairs allowance

1 / 5 of the rent is deduct able as repairs allowance

No deduction is allowed

Question No: 16 (Marks: 1) - Please choose one

A non adjustable advance is received from a building as income from property. Such rent will be spread in how many of the following years?

5 years

6years

8 years

10 years

Non adjustable advance is spread over ten years.

Question No: 17 (Marks: 1) - Please choose one

Under clause (93 A) of the Part 1 of second schedule of Income Tax Ordinance 2001, which of the following business income is exempted from tax?

Income of a Text-Book Board
University or Educational Institution
established not for profit purpose

Recognized Vocational Institute

Income of Recognized Sports Board

Ref:Pg#66

(93A) Recognized Vocational Institute.

Question No: 18 (Marks: 1) - Please choose one

Head Income from property section 15 defines land as:

Constructed building

Block of brick

Vacant plot

None of the given options

Ref:Pg#17

• Income from Property (Section 15)

☐ Use of land or building

☐ Occupation of land or building

☐ Right to use the land or building

Question No: 19 (Marks: 1) - Please choose one

One of the following options doesn t come under the definition of Business income section 2 (9):

Trade
Commerce
Profession
Employment

Question No: 20 (Marks: 1) - Please choose one

Which one of the following section defines Income under the head Income from Business section 18?

Section 2(9)

Section 2(29)

Section 75

Section 2(15)

Question No: 21 (Marks: 1) - Please choose one

Which of the following section deals with the deductions Not allowed to income from business?

Section 2 (9)

Section 20

Section 21

Section 22

Ref:Pg#67

Deductions not Allowed – Sec. 21

Question No: 22 (Marks: 1) - Please choose one

Gain on sale of depreciable asset, under section 31 of the Income Tax Ordinance 2001, is charged to tax under which of the following head of Income?

Income from Business

Income from Property

Income from Capital Gain

Income from Other sources

Question No: 23 (Marks: 1) - Please choose one

Amount received after discontinuance of business, under section 31 of the Income Tax Ordinance 2001, is charged to tax under which of the following head of Income?

Income from Business

Income from Property

Income from Capital Gain

Income from Other sources

Question No: 24 (Marks: 1) - Please choose one

Which of the following is the tax rate that a Resident Company is subjected to pay on its

turnover for a tax year, even in cases where the company sustains loss?

0.25%

0.50%

0.75%

1.00%

Ref:Pg#73

Minimum Tax on Resident Companies Sec 113

Resident Company is subjected to minimum tax @ 0.50% of its turnover for a tax year, even in cases where the company sustains loss.

Question No: 25 (Marks: 1) - Please choose one

The amount of minimum tax liability is arrived at as follows:

(A x 0.5%) B

(A x B) 0.5%

(A + B) 0.5%

(A / 0.5%) B

Question No: 26 (Marks: 1) - Please choose one

In case of disposal of asset between spouses under an agreement to live apart, what would

be the tax treatment of such disposal of asset?

Charged to tax under the head Income from Business

Charged to tax under the head Income from Capital Gain

Exempt from tax under section 79 of the Income Tax Ordinance 2001

Charged to tax under the head Income from Property

Ref:Pg#81

Disposals Not Chargeable To Tax Under Sec.79 Non Recognition Rules

No gain or loss shall be taken to arise on the disposal of an asset:

fBetween spouses under an agreement to live apart;

Question No: 27 (Marks: 1) - Please choose one

Which of the following is NOT required to file the return of Income Tax under section 115?

Every Company

Every Firm

Every person with land 250 sq yards

Salaried individual having salary certificate in lieu

Question No: 20 (Marks: 1) - Please choose one

Which of the following is **NOT** required to file the return of Income Tax under section 115?

- ▶ Every Company
- ▶ Every Firm
- ▶ Every person with land 250 sq yards
- ▶ **Orphan with age below 25**

Question No: 17 (Marks: 1) - Please choose one

Which of the following is **NOT** required to file the return of Income Tax under section 115?

- ▶ Every Company
- ▶ Every Firm
- ▶ Every person with land 250 sq yards
- ▶ **Widow**

Question No: 28 (Marks: 1) - Please choose one

A person may furnish Revised Return from the date when the original return was furnished up to which of the following time period?

- 5 Days
- 5 Months

5 Years

15 Months

Ref:Pg#99

Provision of Revised Tax Return:

A person may furnish Revised Return within five years of the date when the original return was furnished.

Question No: 29 (Marks: 1) - Please choose one

A person where taxable income for a tax year exceeds the maximum amount not chargeable to tax is required to file a return of income for the tax year, presently this amount is:

Rs.100, 000

Rs.300, 000

Rs.250, 000

Rs.500, 000

Question No: 30 (Marks: 1) - Please choose one

Which of the following is **NOT** a liquidator under section 141 of the income tax ordinance 2001?

- Receiver appointed by a Court
- Trustee for a bankrupt

Mortgagee in possession
Tax payer

Question No: 31 (Marks: 1) - Please choose one

Federal Tax Ombudsman has the same powers as _____ to punish any person for its contempt.

Supreme

High court

City court

Provincial Government

Ref:Pg#111

The Federal Tax Ombudsman has the same powers as the Supreme Court has to punish any person for its contempt.

Question No: 32 (Marks: 1) - Please choose one

The office of Superintendent of Sales Tax, or such other office as the Board may, by notification in the official Gazette, specify is called;

Income tax office

Registered office

Local Sales Tax Office

None of the given options

Question No: 33 (Marks: 1) - Please choose one

Capital Value Tax was levied on the capital value of assets with effect from;

1st July, 1989

1st June 1990

1st July 2000

1st July 1999

Ref:

Capital Value Tax was levied with effect from 1st July, 1989 on the capital value of assets.

Question No: 34 (Marks: 1) - Please choose one

A directorship or any other office involved in the management of a company under section 2(22) of Income Tax Ordinance, 2001 is termed as:

Employment

Employer

Employee

Business premises

Question No: 127 (Marks: 1) - Please choose one

Which of the following is the example of inclusive definition?

- * Appellate Tribunal 2(2)
- * Debt 2(15)
- **Employment 2(22)**
- * Association of person 2(6)

Question No: 3 (Marks: 1) - Please choose one

2(22) of Income Tax Ordinance 2001 defined: “Employment” includes:

- a directorship or any other office involved in the management of a company;
- a position entitling the holder to a fixed or ascertainable remuneration; or
- the holding or acting in any public office;

In which criteria the above definition falls?

- ▶ Exclusive definition
- ▶ **Inclusive definition**
- ▶ Both Exclusive and Inclusive definitions
- ▶ Statutory definition

Question No: 4 (Marks: 1) - Please choose one

Which of the following is the example of inclusive definition?

- ▶ Appellate Tribunal 2(2)

- ▶ Debt 2(15)
- ▶ **Employment 2(22)**
- ▶ Association of person 2(6)

Question No: 36 (Marks: 1) - Please choose one

Mr. X non-resident of Pakistan earned income from property situated in Dubai Rs. 70,000 but received in Pakistan. Which one of the following option is right for this particular scenario?

Mr. X being non-resident of Pakistan Rs. 70,000 will be added in Gross total income

Mr. X being non-resident of Pakistan Rs. 70,000 will be subtracted in Gross total income

Mr. X being non-resident of Pakistan Rs. 70,000 will be claimed as admissible deduction

Mr. X being non-resident of Pakistan Rs. 70,000 will be exempted

Question No: 35 (Marks: 1) - Please choose one

Which of the following is the rate of tax for salaried Individuals for tax year 2009, wh the

taxable income exceeds Rs. 250,000 but does not exceed Rs. 350,000?

- ▶ Nil
- ▶ 0.250%
- ▶ 0.50%
- ▶ **0.75%**

Ref:Pg# 125

**Where the taxable income exceeds Rs. 250,000 but does not exceed Rs. 350,000,
Rate of tax=0.75%**

Question No: 37 (Marks: 1) - Please choose one

Which of the following is the rate of tax for salaried Individuals for tax year 2009, where the taxable income exceeds Rs. 1,950,000 but does not exceed Rs. 2,250,000?

- ▶ 9.00%
- ▶ 10.00%
- ▶ 12.50%
- ▶ **15.00%**

Ref: Pg#45.

**Where the taxable income exceeds Rs. 1,950,000 but does not exceed Rs. 2,250,000,
Rate of tax=15.00%**

Question No: 36 (Marks: 1) - Please choose one

Which of the following is the rate of tax for salaried Individuals for tax year 2009, where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,450,000?

- ▶ 9.00%
- ▶ 10.00%
- ▶ **11.00%**
- ▶ 12.50%

Question No: 38 (Marks: 1) - Please choose one

Which of the following is the rate of tax for salaried Individuals for tax year 2009, where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 450,000?

- 0.25%
- 1.50%
- 2.50%**
- 3.50%

Ref:Pg# 125

**Where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 450,000,
Rate of tax=2.50%**

Question No: 231 (Marks: 1) - Please choose one

Which of the following is the rate of tax for salaried Individuals for tax year 2010, where the taxable income exceeds Rs. 4,550,000 but does not exceed Rs. 8,650,000?

17.50%

18.50%

19.00%

20.00%

Where the taxable income exceeds Rs. 4,550,000 but does not exceed Rs. 8,650,000, RATE IS 19.00%

Question No: 39 (Marks: 1) - Please choose one

Miss Sonia s total taxable income for the year 2009 is Rs. 240,000. Which of the following is the tax liability of Miss Sonia?

Nil

Rs. 500

Rs. 1,000

Rs. 1,500

Ref: Pg# 125

Where the taxable income exceeds Rs. 180,000 but does not exceed Rs 250,000, the tax rate is 0.50%

So the tax amount will be 240000 @ 0.50% = 1200

Question No: 40 (Marks: 1) - Please choose one

Mr. As total taxable income for the year 2009 is Rs. 600,000. Which of the following is the tax liability of Mr. A?

Rs. 15,000

Rs. 21,000

Rs. 27,000

Rs. 36,000

Ref:Pg# 125

Where the taxable income exceeds Rs. 550,000 but does not exceed Rs. 650,000, the tax rate is 4.50%

So 600,000 @ 4.50% = 27000

**Paper 2
FINAL TERM EXAMINATION
Spring 2010**

FIN623- Taxation Management (Session - 4)

Question No: 1 (Marks: 1) - Please choose one

Mrs. Sara received a basic salary of Rs. 280,000 during the year ended 30.06.2009. She received gratuity from the government of Sindh of Rs. 21,600. What would be her tax payable?

- ▶ **Rs. 1,938**
- ▶ Rs. 2,262
- ▶ Rs. 140
- ▶ Rs. 1,980

Question No: 2 (Marks: 1) - Please choose one

Which of the following canon of taxation suggests that there should not be any arbitrariness or ambiguity in respect of amount of tax paid?

- ▶ Capacity to Pay
- ▶ **Certainty**
- ▶ Simplicity
- ▶ Convenience

Question No: 5 (Marks: 1) - Please choose one

Any Income entitled to be received by a Company then entry of such amount will only be made in the books of accounts if:

- ▶ Company maintaining its books of account on Cash basis
- ▶ **Company maintaining its books of account on Accrual basis**
- ▶ Company maintaining its books of account on Both Accrual and Cash basis
- ▶ None of the given options

Question No: 6 (Marks: 1) - Please choose one

Income Tax is charged on which of the following?

- ▶ **Income of the current tax year**
- ▶ Income of the previous year
- ▶ Income of the coming year
- ▶ Any Receipt of money

Question No: 8 (Marks: 1) - Please choose one

Pension is defined in which of the following schedule of the Income Tax Ordinance 2001?

- ▶ **2nd Schedule Part 1 Cl. (8)**
- ▶ 2nd Schedule Part 1 Cl. (24)
- ▶ 2nd Schedule Part 2 Cl. (22)
- ▶ 1st Schedule of Part 2 Cl. (20)

Ref:

Page#52 Any payment in the nature of commutation of pension [Clause (12), Part I, 2nd Schedule] is Exempt from tax:

Question No: 9 (Marks: 1) - Please choose one

Resident Person (Section 81) includes which of the following?

- ▶ Resident Individual & Association of Persons
- ▶ Resident Company
- ▶ Federal Government
- ▶ **All of the given options**

Question No: 10 (Marks: 1) - Please choose one

Which part of income is charged to tax of resident person under the income tax ordinance 2001?

- ▶ Pakistani source of income
- ▶ Foreign source of income
- ▶ **Both Pakistan and foreign source of income**
- ▶ None of the given option

Question No: 11 (Marks: 1) - Please choose one

_____ means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

- ▶ Franchise
- ▶ **Permanent establishment**
- ▶ Small Business Units SBU
- ▶ Venture

(page 29) Permanent establishment in relation to a person, means a fixed place of business through which the business of the person is wholly or partly carried on,

Question No: 12 (Marks: 1) - Please choose one

Which of the following is the general definition of tax?

- ▶ **Compulsory contribution of wealth by persons**
- ▶ Optional contribution of wealth by persons
- ▶ Compulsory contribution of wealth by state
- ▶ Optional contribution of wealth by state

Ref:Pg#1

General Definition of Tax:

General compulsory contributions of wealth levied upon persons by the state, to meet the expenses incurred in providing common benefits upon the residents

Question No: 13 (Marks: 1) - Please choose one

Which one of the following section defines 'Income' under the head Income from Business section 18?

- ▶ **Section 2(9)**
- ▶ Section 2(29)
- ▶ Section 75
- ▶ Section 2(15)

Ref:Pg#66

Business Defined Section 2(9)

"Business includes any trade, commerce, manufacture, profession, vocation but doesn't include employment"

Question No: 14 (Marks: 1) - Please choose one

'Income is recorded when received and expenditure when paid', which one of the following accounting systems describe this statement?

- ▶ **Cash basis accounting system**

- ▶ Accrual basis accounting system
- ▶ Both cash and accrual basis
- ▶ None of the given options

Question No: 15 (Marks: 1) - Please choose one

On Building (all types) the depreciation rate specified for the purposes of section 22 shall be:

- ▶ **10%**
- ▶ 12%
- ▶ 5%
- ▶ 20%

Ref:Pg#72

Depreciation (Sec.22) Third Schedule Part 1

Depreciation rates specified for the purposes of section 22 shall be:

1. Building (all types) 10%

Question No: 16 (Marks: 1) - Please choose one

Section 22(15) defines depreciable asset means:

- ▶ Any tangible movable property
- ▶ Any tangible immovable property (other than unimproved land)

► Structural improvement to immovable property

► **All of the given options**

Question No: 18 (Marks: 1) - Please choose one

The salary received from the UK Government by Mr. Amir resident of Pakistan. Which section of the income tax ordinance explains his tax treatment of such salary?

- Section 110
- Section 101
- **Section 102**
- Section 50

Ref:Pg#31

Foreign Source Salary of Resident Individuals Sec. 102

(1) Any foreign-source salary received by a resident individual shall be exempt from tax if the individual has paid foreign income tax in respect of the salary. PAGE#31

Question No: 19 (Marks: 1) - Please choose one

Revision of return can be made on an application made by the tax payer relating to

issuance of an exemption, by which of the following authorities?

- Income Tax Officer
- Assistant Controller of Income tax
- Deputy Controller of Income tax
- **Regional Commissioner of Income tax**

Ref: page101

Revision by the Regional Commissioner Sec 122 B

Revision can be made by RCIT at his own or on an application made by the tax payer relating to issuance of an exemption or lower rate certificate with regard to collection or deduction of tax at source.

Question No: 20 (Marks: 1) - Please choose one

Appeal to CIT (appeals) shall be filed in which of the following manner?

- **On prescribed form**
- On plane paper
- On stamped paper
- Legal documents

Ref: Pg#108

Appeal shall be filed:

- i In prescribed form**
- ii Verification

- iii Grounds of appeal
- iv Prescribed fee
- v Within 30 days of the date of service of the order against which appeal is filed.(108)

Question No: 23 (Marks: 1) - Please choose one

Which of the following is included in the assessment order by commissioner?

- ▶ Taxable Income
- ▶ Tax Due
- ▶ Amount of Tax Paid
- ▶ **All of the given options**

Question No: 24 (Marks: 1) - Please choose one

In Sales Tax Act "Zero - rated supply" means a taxable supply which is charged to tax at the rate of zero per cent define under

- ▶ **Section 4**
- ▶ Section 5
- ▶ Section 6
- ▶ Section 22

Ref page #117

(48) "Zero - rated supply" means a taxable supply which is charged to tax at the rate of zero percent under section 4

Question No: 25 (Marks: 1) - Please choose one

Mr. Kishan Kumar during his yearly tour in Pakistan spends 155 working days, 26 off-working days 1 strike day and 1 Public Holiday in a tax year 2008-09? What will be the status of the individual?

- ▶ **Resident Individual**
- ▶ Non Resident Individual
- ▶ Resident Person
- ▶ Resident HUF

Ref: His total stay in Pakistan is of 183 days , so he is resident individual.

Question # 14 of 15 (Start time: 03:18:36 AM) Total Marks: 1

Mr. Kishan Kumar during his yearly tour in Pakistan spends 156 working days, 26 offworking days and 1 Public Holiday in a tax year 2009-2010? Which of the following is his residential status?

Select correct option:

- Resident Individual**
- Non Resident Individual
- Resident Person
- Resident HUF

Question No: 26 (Marks: 1) - Please choose one

Mr. Zeeshan during his yearly tour in Pakistan spends 180 working days and in a tax year 2008-

09? What will be the status of individual?

- ▶ Resident Individual
- ▶ **Non-Resident Individual**
- ▶ Resident Person
- ▶ Resident HUF

His total stay in Pakistan is less than 183 days , so he is non resident individual as per income tax ordinance section 81.

Question No: 27 (Marks: 1) - Please choose one

Which of the following is the rate of tax for AOP for tax year 2009, where the taxable income exceeds Rs. 100,000 but does not exceed Rs. 110,000?

- ▶ 0%
- ▶ 0.25%
- ▶ **0.50%**
- ▶ 0.75%

Question No: 28 (Marks: 1) - Please choose one

Which of the following is the rate of tax for AOP for tax year 2009, where the taxable income exceeds Rs. 125,000 but does not exceed Rs. 150,000?

- ▶ 0.50%
- ▶ 0.75%
- ▶ 1.00%
- ▶ **2.00%**

Question No: 29 (Marks: 1) - Please choose one

Which of the following is the Rate of Tax for dividend received from power Generation Company for Tax Year 2009?

- ▶ Nil
- ▶ 2.5%
- ▶ 5%
- ▶ **7.5%**

Question No: 30 (Marks: 1) - Please choose one

Which one of the following is not the feature of Sales Tax?

- ▶ Indirect tax
- ▶ Broad based

- ▶ Elastic/ Flexible
- ▶ **None of the given options**

Question No: 31 (Marks: 1) - Please choose one

Mr. Ali received a basic salary of Rs. 20,000 per month during the year ended 30.06.2009. During the year domestic bills of water, telephone and electricity amounting to Rs. 6,000, 12,000, and 9,600 were paid by his employer respectively. What would be his taxable income?

- ▶ Rs. 240,000
- ▶ **Rs. 267,600**
- ▶ Rs. 270,000
- ▶ Rs. 289,800

Question No: 32 (Marks: 1) - Please choose one

Mr. Saleem received a basic salary of Rs. 10,000 per month during the year ended 30.06.2009. During the year his employer provided the services of a driver and a housekeeper. The company paid Rs. 4,000 per month to each of these employees. What would be his taxable income?

- ▶ Rs. 120,000

- ▶ **Rs. 186,000**
- ▶ Rs. 216,000
- ▶ Rs. 244,500

Question No: 33 (Marks: 1) - Please choose one

The basic salary of Mr. Ghauri (a salaried person) during the year 30.06.2009 is Rs. 445,000. He paid Zakat under Zakat Ordinance of Rs. 8,000 and received commission of Rs. 24,000. What will be his taxable income?

- ▶ Rs. 429,000
- ▶ Rs. 437,000
- ▶ **Rs. 461,000**
- ▶ Rs. 469,000

Question No: 38 (Marks: 1) - Please choose one

Mr. Sadiq received a salary of Rs. 200,000 during the year ended 30.06.2009. His MTS is (Rs. 200,000-5,000-300,000). He has received medical allowance and facility of interest free loan from his employer of Rs. 10,000 per month and Rs. 900,000 respectively. What would be his tax payable?

- ▶ Rs. 1,987.5

- ▶ **Rs. 2,535**
- ▶ Rs. 107,500
- ▶ Rs. 134,200

Question No: 39 (Marks: 1) - Please choose one

Mr. Shafqat received a basic salary of Rs. 350,000 during the year ended 30.06.2009. His company maintained car for personal and official use. The cost of the vehicle is Rs. 880,000. What would be his tax payable?

- ▶ Rs. 1,030
- ▶ **Rs. 5,910**
- ▶ Rs. 10,950
- ▶ Rs. 135,300

Question No: 34 (Marks: 1) - Please choose one

Mr. Shafqat received a basic salary of Rs. 200,000 during the year ended 30.06.2009. He has received lunch facility, cost of living allowance and adhoc relief of Rs. 6,000, 50,000, and 7,800 respectively. What would be his tax payable?

- ▶ Rs. 1,030
- ▶ Rs. 1,039
- ▶ Rs. 1,069

- ▶ **Rs. 1,978.5**

Question No: 40 (Marks: 1) - Please choose one

A retailer whose value of supplies in any period during the last twelve months ending any tax period exceeds_____ are required to be registered under the Sales Tax Act 1990;

- ▶ Forty million rupees
- ▶ **Twenty million rupees**
- ▶ Ten million rupees
- ▶ Five million rupees

Ref:Pg#118

A retailer whose value of supplies in any period during the last twelve months ending any tax period exceeds twenty million rupees;

Question No: 42 (Marks: 1) - Please choose one

Statutory Provident Fund is governed by which one of the following?

- ▶ Finance Act 2006
- ▶ Insurance Act 1969
- ▶ **Provident Funds Act 1925**
- ▶ Finance Bill 2007

Ref:Pg#60

Statutory Provident Fund, governed by the Provident Funds Act, 1925 (GP Fund).

Question No: 44 (Marks: 1) - Please choose one

Mrs. Waseem has rented out her house at Rs. 15,000 per month. As per rent deed she has received an amount of Rs. 75,000 as advance, which is non adjustable against rent. What would be the amount of rent chargeable to tax where the fair market rent is Rs. 100,000?

- ▶ Rs. 90,000
- ▶ **Rs. 1,87500**
- ▶ Rs. 92,400
- ▶ Rs. 1,200

Question No: 45 (Marks: 1) - Please choose one

Mr. Waqas is a practicing chartered accountant. He has received audit fees of Rs. 300,000 and the examiner's fees of Rs. 2,000. During tax year 2009 he has made membership and certificate expenses of Rs. 500. What will be his income from profession?

▶ Rs. 198,834

▶ **Rs. 301,500**

▶ Rs. 297,500

▶ Rs. 298,500

$300,000 + 2000 - 500 = 301,500$

Question No: 46 (Marks: 1) - Please choose one

M/s. RST filed tax return for tax year 2009, declaring taxable income as Rs. 1,135,000 made payments in execution of a contract for purchase of office appliances Rs. 250,000. What will be the tax payable of the company?

▶ Rs. 100,000

▶ Rs. 150,000

▶ Rs. 300,000

▶ **Rs. 484,750**

Calculation: Tax Liability

$1135000 + 250,000 = 1,385000 * 35\% = 484,750$

Question No: 47 (Marks: 1) - Please choose one

Mr. Qasim received income from business of Rs. 107,000. He has received gain on sale of residential house of Rs. 140,000. What will be his taxable income?

▶ Rs. 50,000

- ▶ Rs. 300,000
- ▶ **Rs. 107,000**
- ▶ Rs. 100,000

Question No: 371 (Marks: 1) - Please choose one

Mr. Qasim received income from business of Rs. 6,107,000. He has received gain on sale of residential house of Rs. 140,000. What will be his taxable income?

- * Rs. 50,000
- * Rs. 300,000
- **Rs. 6,107,000**
- * Rs. 100,000

Question No: 48 (Marks: 1) - Please choose one

Mr. Jamil has received income from poultry farm of Rs. 645,000 and gain on sale of shares of private company Rs. 136,000 where the shares were disposed off after 12 months. The capital loss amounted to Rs. 15,000 was reported. What will be his taxable income?

- ▶ Rs. 566,000
- ▶ Rs. 694,000
- ▶ **Rs. 732,000**
- ▶ Rs. 776,000

Paper 3
FINAL TERM EXAMINATION
Spring 2009 FIN623- Taxation
Management (Session - 2)

Question No: 1 (Marks: 1) - Please choose one

Taxes are important instrument of which one of the following policy?

- ▶ Monetary policy
- ▶ **Fiscal policy**
- ▶ Trade Policy
- ▶ Economic Policy

Taxes are important instrument of Fiscal Policy. PG#1

Question No: 2 (Marks: 1) - Please choose one

Which of the following is opposite to the literal meanings of Tax?

- ▶ Burden
- ▶ Strain
- ▶ Load
- ▶ **Relieve**

Question No: 3 (Marks: 1) - Please choose one

Sec. (11A) of Income Tax Ordinance 2001 defined:

Charitable purpose includes relief of the poor, education, medical relief and the advancement of any other object of general public utility.

In which criteria the above definition falls?

- ▶ Exclusive definition
- ▶ **Inclusive definition**
- ▶ Both Exclusive and Inclusive definitions
- ▶ Statutory definition

Question No: 4 (Marks: 1) - Please choose one

Which of the following is the mutual example of both inclusive and exclusive definitions?

- ▶ Appellate Tribunal 2(2)
- ▶ **Banking Company 2(7)**
- ▶ Association of Person 2(6)
- ▶ Employment 2(22)

Question No: 5 (Marks: 1) - Please choose one

Which of the following is the Special Accounting Year of Sugar Companies?

- ▶ 1st January to 31st December
- ▶ 1st July to 30th June

▶ **1st October to 30th September**

▶ 1st September to 31st August

Ref:Pg#11

Companies manufacturing Sugar , 1st October to 30th September

Question No: 6 (Marks: 1) - Please choose one

Suppose a Profit acquired by a cultivator for produce after harvesting.

The profit of the cultivator will be treated in

- ▶ Income from Business
- ▶ **Agriculture Income**
- ▶ Income from Property
- ▶ Capital Gain

Question No: 7 (Marks: 1) - Please choose one

Suppose due to hailstorm damages caused to crops that was insured against Insurance policy. The compensation received from an insurance company for damages caused by hailstorm. What will be the tax treatment of such amount received?

- ▶ Income from Business
- ▶ **Exempt as Agriculture Income**
- ▶ Income from Property

- ▶ Capital Gain

Ref:Pg#20

Following Income are held to be

“Agricultural Income”

•Compensation received from an insurance company for danger caused by hailstorm or another natural calamity to crops or agricultural produce.

Question No: 9 (Marks: 1) - Please choose one

Salary income received by resident person from Federal Government of Pak is in UK belongs to which of the following?

- ▶ **Pakistani source of Income**
- ▶ Foreign source of income
- ▶ Both Pakistan and foreign source of income
- ▶ None of the given option

Question No: 10 (Marks: 1) - Please choose one

Mr. Khan resident of Pakistan received salary from UK? His salary will be included in which of the following?

- ▶ Pakistan source income
- ▶ **Foreign source income**

- ▶ Both Pakistan and foreign source income
- ▶ None of the given options

Question No: 16 (Marks: 1) - Please choose one

Rental income earned is taxable on a net income basis that is, after deduction of tax admissible expenditure and allowances from gross rent, for up to Tax year:

- ▶ 2007
- ▶ 2008
- ▶ **2006**
- ▶ 2005

Question No: 17 (Marks: 1) - Please choose one

Debt means "any amount owing", than which one of the following doesn't cover by the definition

of Debt under section 2(15)?

- ▶ Accounts payable
- ▶ Promissory notes
- ▶ Bills of exchange
- ▶ **None of the given options**

Question No: 18 (Marks: 1) - Please choose one

What is the tax treatment for any fine or penalty paid or payable by the person for the violation of any law, rule or regulation?

- ▶ Deducted as per section 20
- ▶ **Not allowed to be deducted as per section 21**
- ▶ Deducted as per section 21
- ▶ Not allowed to be deducted as per section 22

Ref:Pg#67

Deductions not Allowed – Sec. 21

Any fine or penalty paid or payable by the person for the violation of any law, rule or regulation

Question No: 19 (Marks: 1) - Please choose one

Which section defines 'Speculation business' under head Income from business?

- ▶ Section 20
- ▶ **Section 19**
- ▶ Section 24
- ▶ Section 18

Ref:Pg#66

Speculation Business shall be charged under the head income from business

(Separate Treatment)....Treatment of Speculation Business (Sec 19):

Question No: 20 (Marks: 1) - Please choose one

Which of the following is the rate of amortization of pre-commencement expenditure under section 25 of the income tax ordinance 2001?

- ▶ 10%
- ▶ **20%**
- ▶ 30%
- ▶ 50%

Ref:Pg#130

The rate of amortization of pre-commencement expenditure under section 25 shall be 20%.

Question No: 21 (Marks: 1) - Please choose one

A/B

The above formula is for the calculation of Amortization deduction allowed under section 24.

Which of the following is the value of A?

- ▶ Normal useful life of intangible
- ▶ **Book value of intangible**

- ▶ **Cost of intangible**
- ▶ Sale price of intangible

Ref:Pg#68

Amortization deduction allowed as under A/B

Where

A is the cost of intangible; and

B is normal useful life of intangible

Question No: 22 (Marks: 1) - Please choose one

Turnover from all sources Rs.50, 000,000

Tax liability (due to loss or exemption from tax) = Nil

What will be the minimum tax to be paid at 0.5% of turnover?

- ▶ Rs.300, 000
- ▶ Rs.200, 000
- ▶ **Rs.250, 000**
- ▶ Rs.100, 000

Ref:

Tax payable=50,000,000*0.5%=250,000

Question No: 24 (Marks: 1) - Please choose one

Which section define this 'Income tax depreciation is admissible only in respect of depreciable assets'.

- ▶ **Section 22(15)**
- ▶ Section 22 (11)
- ▶ Section 23 A
- ▶ Section 24

Question No: 25 (Marks: 1) - Please choose one

A-B

From the above formula the value 'B' represents which of the following?

- ▶ Consideration received on disposal of the capital asset
- ▶ **Cost of the asset**
- ▶ Amount of Depreciation
- ▶ Market value of the Capital asset

Ref:Pg#69

Computation of Capital Gain

Capital gain shall be computed in accordance with following formula:

A-B

- o A is the consideration received by the person on disposal of the capital asset
- o **B is the cost of the asset**

Question No: 26 (Marks: 1) - Please choose one

Income from Dividends charged to tax under which of the following heads of Income?

- ▶ Income from Property
- ▶ Income from Business
- ▶ Income from Capital Gain
- ▶ **Income from Other Sources**

Ref:Pg#83

Some types covered under the head 'Income from other Sources'

- **Income from Dividends**
- **Income from Royalty**
- **Profit on debt**

Question No: 27 (Marks: 1) - Please choose one

Appeal to the collector of sales tax may be filed within which of the period?

- ▶ 60 days
- ▶ 90 days
- ▶ 180 days
- ▶ **30 days**

Ref:Pg#120

**Appeal to collector of Sales Tax (Appeals)
Sec 45 b**

Appeal may be filed by any person other than officer of sales tax within 30 days of the date of receipt of such decision or order against which appeals is proffered.

Question No: 30 (Marks: 1) - Please choose one

In relation to any registered person means the tax charged under the Sales tax Act in respect of a supply of goods made by that person and shall include duties of excise chargeable under section 3 of the Central Excises Act, 1944 (I of 1944) is known as;

- ▶ **Output tax**
- ▶ Input tax
- ▶ Income tax
- ▶ Wealth tax

Question No: 31 (Marks: 1) - Please choose one

Capital value tax is levied on which of the following?

- ▶ Capital gain
- ▶ Gross profits
- ▶ **Capital value of asset**
- ▶ Intangible assets

Ref:Pg#121

Capital Value Tax was levied with effect from 1st July, 1989 on the capital value of assets.

Question No: 32 (Marks: 1) - Please choose one

Mr. X employed in Pakistan remittance from USA received Rs. 10,000 in Pakistan from past profits. Which of the following is right for the above scenario?

- ▶ Mr. X being resident of Pakistan Rs. 10,000 will be added in Gross total income
- ▶ Mr. X being resident of Pakistan Rs. 10,000 will be Subtracted in Gross total income
- ▶ Mr. X being non-resident of Pakistan Rs. 10,000 will be added in Gross total income
- ▶ **Remittance is not income hence it is not included**

Question No: 37 (Marks: 1) - Please choose one

Statutory Provident Fund is governed by:

- ▶ Finance Act 2006
- ▶ Insurance Act 1969
- ▶ **Provident Funds Act 1925**

- ▶ None of the given options

Ref:Pg#60

Types:

- **Statutory Provident Fund, governed by the Provident Funds Act, 1925 (GP Fund)**

Question No: 38 (Marks: 1) - Please choose one

What will be the tax liability of an individual who has received an income of Rs. 470,000 under the head income from property?

- ▶ **Rs.17,750**
- ▶ Rs. 23,500
- ▶ Rs. 47,000
- ▶ Rs. 70,500

Question No: 39 (Marks: 1) - Please choose one

Any salary paid or payable exceeding paid other than by a crossed cheque or direct transfer of funds to the employee's bank account is not allowed to deduct under section 21 of the ordinance.

- ▶ Five thousand rupees per month
- ▶ **Ten thousand rupees per month**
- ▶ Fifteen thousand rupees per year

► Two hundred thousand rupees per year

Ref:Pg#67

Deductions not Allowed – Sec. 21

Any salary paid or payable exceeding [ten] thousand rupees per month other than by a crossed cheque or direct transfer of funds to the employee's bank account; and

Question No: 40 (Marks: 1) - Please choose one

Which of the following is the rate of tax for AOP for ta income exceeds Rs. 100,000 but does not exceed Rs. 180,000?

- 0%
- 0.25%
- 0.50%
- 0.75%

Ref:Pg#75

**Where the taxable income does not exceed Rs. 180,000,
Rate of Tax=0%**

Question No: 41 (Marks: 1) - Please choose one

What is the tax rate of Banking companies for the

► **35%**

► 44%

► 54%

► 42%

Ref:It ordinance 2010

The rates of tax imposed on the taxable income of a company shall be as set out in the following table, namely:– TABLE

Banking company = 50%

Public company, other than a banking company. =35%

Private company, other than a banking company. =45%

Question No: 42 (Marks: 1) - Please choose one

Amount of Capital value tax for the year 2009 for a motor vehicle, not exceeding 850 cc,should be which of the following?

- ☐ Rs. 3,500
- ☐ **Rs. 7,500**
- ☐ Rs. 8,500
- ☐ Nil

Ref:Pg#122

Capital Value Tax shall be payable on purchase of motor vehicles, not previously used in Pakistan, at the following rates:
Motor vehicle of an engine capacity Amount of Tax

Up to 850cc =Rs. 7,500

851cc to 1000cc =Rs. 10,500

1001cc to 1300cc= Rs. 16,875

1301cc to 1600cc =Rs. 16,875

1601cc to 1800cc =Rs. 22,500

1801cc to 2000cc =Rs. 16,875

Above 2000cc= Rs. 50,000

Paper 4

FINAL TERM EXAMINATION

Spring 2010

FIN623- Taxation Management

Question No: 1 (Marks: 1) - Please choose one

Which of the following is not an employment tax?

- ▶ Social Security Tax
- ▶ **Federal Excise Tax**
- ▶ Federal unemployment compensation tax
- ▶ State unemployment compensation tax

Question No: 2 (Marks: 1) - Please choose one

How many Sections are included in the **Income Tax Ordinance 2001**?

- ▶ 340 sections
- ▶ 440 sections
- ▶ 140 sections
- ▶ **240 sections**

Ref:

Page#5

Basic Features of Income Tax Ordinance 2001

Scheme of the Ordinance is given below:

- ▣ **There are thirteen chapters**
- ▣ **Chapters are divided into:**
- ▣ **Parts &**
- ▣ **Divisions**
- ▣ **There are 240 Sections**

Question No: 3 (Marks: 1) - Please choose one

How many Schedules are contained in the **Income Tax Ordinance 2001**?

- ▶ Three Schedule
- ▶ Fifth Schedule
- ▶ **Seven Schedules**
- ▶ Nine Schedules

Question No: 4 (Marks: 1) - Please choose one

Section 2(13) of Income Tax Ordinance 2001 defined:

“**Commissioner**” means a person appointed as a Commissioner of Income Tax under section 208, and includes a taxation officer vested with all or any of the powers, and functions of the Commissioner;

In which criteria the above definition falls?

- ▶ **Exclusive definition**
- ▶ Inclusive definition
- ▶ Both Exclusive and Inclusive definitions
- ▶ Statutory definition

Question No: 5 (Marks: 1) - Please choose one

Which of the following is the Special Accounting Year of Insurance Companies?

- ▶ **1st January to 31st December**
- ▶ 1st July to 30th June
- ▶ 1st October to 30th September
- ▶ 1st September to 31st August

Ref:

Page#11 All Insurance Companies 1st January to 31st December

Question No: 6 (Marks: 1) - Please choose one

Certain incomes those are excluded from tax are called as:

- ▶ Perquisites
- ▶ **Exemptions**
- ▶ Allowances
- ▶ Deductions

Question No: 9 (Marks: 1) - Please choose one

Date for the exemption limit for Foreign Currency Account (FCA) under Clause 80 of the Part I

of Second Schedule is available to which of the following?

- ▶ **16 December 1999**
- ▶ 16 November 1999
- ▶ 16 July 2001
- ▶ 1st July 2002

Question No: 11 (Marks: 1) - Please choose one

Which of the following days shall be counted as whole day for the computation of residential status of an individual?

- ▶ A public holiday
- ▶ A day of sick leave
- ▶ Any strike day
- ▶ **All of the given options**

Ref:

Following days shall be counted as whole day:

- **A Public Holiday**
- **A day of leave including sick leave**
- **A day that individual's activity is stopped because of strike etc**
- **A holiday spent in Pakistan**

Question No: 12 (Marks: 1) - Please choose one

Rental income shall be Pakistan-source income if it is derived from:

- ▶ **The lease of immovable Property in Pakistan**
- ▶ The lease of immovable Property outside Pakistan
- ▶ The lease of immovable Property both in and out of Pakistan
- ▶ None of the given options

Question No: 13 (Marks: 1) - Please choose one

Pension received by Mr. John through permanent establishment in Pakistan is belonging to which of the following?

- ▶ **Pakistani source of Income**
- ▶ Foreign source of income
- ▶ Both Pakistan and foreign source of income
- ▶ None of the given option

Question No: 15 (Marks: 1) - Please choose one

Rental income earned is taxable on a net income basis that is, after deduction of tax admissible expenditure and allowances from gross rent, for up to Tax year:

- ▶ 2007
- ▶ 2008
- ▶ **2006**
- ▶ 2005

Question No: 17 (Marks: 1) - Please choose one

Rates of depreciation is prescribed in which of the following part of third schedule of the Income

Tax Ordinance:

- ▶ Part II
- ▶ Part III
- ▶ **Part I**
- ▶ None of the given options

Question No: 18 (Marks: 1) - Please choose one

Which section define this 'Income tax depreciation is admissible only in respect of depreciable assets'.

- ▶ **Section 22(15)**
- ▶ Section 22 (11)
- ▶ Section 23 A
- ▶ Section 24

Question No: 19 (Marks: 1) - Please choose one

Profit on debt charged to tax under which of the following heads of Income?

- ▶ Income form Property
- ▶ Income from Business
- ▶ Income from Capital Gain
- ▶ **Income from Other Sources**

Question No: 21 (Marks: 1) - Please choose one

Appeal to the collector of sales tax may be filed within which of the following time period?

- ▶ 60 days
- ▶ 90 days
- ▶ 180 days
- ▶ **30 days**

Question No: 24 (Marks: 1) - Please choose one

In relation to any registered person means the tax charged under the Sales tax Act in respect of a supply of goods made by that person and shall include duties of excise chargeable under section

3 of the Central Excises Act, 1944 (I of 1944) is known as;

- ▶ **Output tax**
- ▶ Input tax
- ▶ Income tax
- ▶ Wealth tax

Question No: 26 (Marks: 1) - Please choose one

Capital value tax is levied on which of the following?

- ▶ Capital gain
- ▶ Gross profits
- ▶ **Capital value of asset**
- ▶ Intangible assets

Ref:

Capital Value Tax was levied with effect from 1st July, 1989 on the capital value of assets.

Question No: 27 (Marks: 1) - Please choose one

What will be the tax liability of an individual who has received an income of Rs. 470,000 under the head income from property?

- ▶ **Rs.17,750**
- ▶ Rs. 23,500
- ▶ Rs. 47,000
- ▶ Rs. 70,500

Ref:

Hence tax payable = 470,000 x 5% = Rs 23,500

Tax on initial 400,000 Rs. 12,500

Tax on balance of Rs. 70,000 Rs. 5,250

Tax thereon: Rs. 17,750

Question No: 28 (Marks: 1) - Please choose one

A retailer whose value of supplies in any period during the last twelve months ending any tax period exceeds_____ are required to be registered under the Sales Tax Act 1990;

- ▶ Forty million rupees
- ▶ **Twenty million rupees**
- ▶ Ten million rupees
- ▶ Five million rupees

Ref:pg#118

A retailer whose value of supplies in any period during the last twelve months ending any tax period exceeds twenty million rupees;

Question No: 29 (Marks: 1) - Please choose one

Mr. Amjad (employed by Federal Government) received a basic salary of Rs. 100,000 during the year ended 30.06.2009. He received leave encashment amounting to Rs. 12,000 per month and the special allowance @ 25% which is Rs. 8,400 per month. What would be his taxable income?

- ▶ **Rs. 50,000**

- ▶ Rs. 100,000
- ▶ Rs. 200,800
- ▶ **Rs. 244,000**

Question No: 30 (Marks: 1) - Please choose one

Mr. Shahmeer has a gross tax of Rs. 97,200 and taxable income of Rs. 972,000 during the year ended 30.06.2009. He has invested shares in public company of Rs. 120,000 and donated to Mayo Hospital Rs. 30,180. What would be the amount of average relief?

- ▶ Rs. 12,738
- ▶ **Rs. 3,018**
- ▶ Rs. 9,720
- ▶ Rs. 12,000

$$30,180 \times 10\% = 3,018$$

Question No: 32 (Marks: 1) - Please choose one

Salary is the first head or source of income mentioned in which of the following sections of the Income Tax Ordinance 2001?

- ▶ **Section 12**
- ▶ Section 34
- ▶ Section 20
- ▶ Section 85

Question No: 33 (Marks: 1) - Please choose one

Mr. Zahoor received a basic salary of Rs. 10,000 per month during the year ended 30.06.2009. He has received rent free unfurnished accommodation by his employer. He was entitled to receive rent @ Rs. 4,000, per month, if this accommodation was not provided to him. What would be his tax payable?

- ▶ **Nil**
- ▶ Rs. 133,980
- ▶ Rs. 195,000
- ▶ Rs. 210,000

Basic salary (10,000 *12) 120,000

rent free unfurnished

accommodation(4000*12% = 48000)

Or

45% of basic salary (120000*45%= 54000)

54,000

Tax payable 174,000

Where the taxable income does not exceed Rs. 180,000, 0%

Question No: 35 (Marks: 1) - Please choose one

Mr. Asif received a salary of Rs. 200,000 during the year ended 30.06.2009. His MTS is (Rs. 55,000-5,000-70,000). He has received medical allowance and facility of interest free loan from his employer of Rs. 10,000 per month and Rs. 900,000 respectively. What would be his tax payable?

- ▶ Rs. 1,987.5
- ▶ **Rs. 2,535**
- ▶ Rs. 107,500
- ▶ Rs. 134,200

Question No: 36 (Marks: 1) - Please choose one

In case, general provident is approved by Govt. or a local authority or a statutory body under clause 13 (i) of the Income Tax Ordinance 2001 then what will be the treatment of such Gratuity fund?

- ▶ **Wholly exempt**
- ▶ Exempt up to Rs. 100,000
- ▶ Exempt up to Rs. 200,000 and exceeding amount will be charged as salary
- ▶ 50% of the amount receivable or Rs. 75,000 whichever is less

Page#49 In the case of an employee of the Government, a local authority, a statutory

body or corporation established by any law for the time being in force, the amount receivable in accordance with the rules and conditions of the employee's services;

Question No: 37 (Marks: 1) - Please choose one

Mr. Afsar received a basic salary of Rs. 900,000 during the year ended 30.06.2009. He has received dividend income of Rs. 15,000 and verifiable personal medical expenses of Rs. 20,000.

What would be his tax payable?

- ▶ Rs. 67,500
- ▶ Rs. 84,150
- ▶ Rs. 82,800
- ▶ **Rs. 82,350**

Question No: 38 (Marks: 1) - Please choose one

The taxable income of Mr. Sabahat is Rs. 460,400 during the year ended 30.06.2009. He has received an interest free loan of Rs. 100,000 at which the employer charged interest at a rate of 12%. What would be his tax payable?

- ▶ **Rs. 16,534**

- ▶ Rs. 460,400
- ▶ Rs. 472,400
- ▶ Rs. 560,400

Question No: 39 (Marks: 1) - Please choose one

Mr. Sufyan has rented out his house at Rs. 80,000 per month. As per rent deed he has received an amount of Rs. 150,000 as advance, which is non adjustable against rent. What would be the amount of rent chargeable to tax?

- ▶ Rs. 40,000
- ▶ **Rs. 975,000**
- ▶ Rs. 73,000
- ▶ Rs. 100,800

Question No: 40 (Marks: 1) - Please choose one

Mr. Tareen let out a house at the monthly rent of Rs. 150,000 and received a deposit of Rs. 65,000 not adjustable against the rent. What would be his tax payable?

- ▶ Rs. 3,250
- ▶ Rs. 325
- ▶ **Rs. 92,400**
- ▶ Rs. 215,000

Question No: 41 (Marks: 1) - Please choose one

Mr. Liaqat during the year ended 30th June 2009 received a net profit of Rs. 60,000. He has received profit on sale of investments of Rs. 10,000 and interest on government securities of Rs. 3,000. What will be his income from profession?

- ▶ Rs. 53,000
- ▶ Rs. 67,000
- ▶ **Rs. 73,000**
- ▶ Rs. 47,000

net profit 60,000

profit on sale of investments 10,000

interest on government securities 3,000

Income from profession 73,000

Question No: 42 (Marks: 1) - Please choose one

Mr. Mohsin during the year ended 30th June 2009 received a net profit of Rs. 250,000. He has maintained a reserve for meeting contingent liability. The maintenance cost him Rs. 25,000 and he has paid for purchase of goodwill Rs. 30,000. What will be his income from profession?

- ▶ Rs. 170,000
- ▶ Rs. 230,000
- ▶ **Rs. 255,000**
- ▶ Rs. 330,000

net profit = Rs. 250,000

maintained cost a reserve for meeting = Rs. 25,000

paid for purchase of goodwill= Rs. 30,000

income from profession= **Rs. 255,000**

Question No: 43 (Marks: 1) - Please choose one

Mr. Jamil an engineer has received consultancy fee of Rs. 385,000. He has paid design and draft related salaries and site supervisors Rs. 45,000 and Rs. 36,000 respectively. What will be his income from profession?

- ▶ **Rs. 304,000**
- ▶ Rs. 394,000
- ▶ Rs. 376,000
- ▶ Rs. 466,000

Consultancy fee= Rs. 385,000

Paid design and draft related salaries= Rs. 45,000

site supervisors= Rs. 36,000

Income from profession=

Question No: 44 (Marks: 1) - Please choose one

Mrs. Mazhar during the year ended 30th June 2009 received salary of Rs. 80,000 per month. She has received income from fish catching business of Rs. 30,000. What will be her income from profession?

- ▶ Rs. 50,000
 - ▶ Rs. 110,000
 - ▶ Rs. 990,000
 - ▶ **Rs. 960,000**
- 80,000*12=960,000**

Question No: 45 (Marks: 1) - Please choose one

M/s Junior during the year ended 30th June 2009 received a net profit of Rs. 139,400. The income tax as per P&L account is worth Rs. 2,500 and loss by embezzlement of Rs. 5,000. What will be the tax payable of the company?

- ▶ Rs. 785,000
- ▶ **Rs. 51,415**
- ▶ Rs. 730,000
- ▶ Rs. 725,000

Question No: 47 (Marks: 1) - Please choose one

Mr. Sabir received income from business of Rs. 107,000. He has received profit on encashment of Defence Saving Certificates of Rs. 10,000. What will be his income from profession?

- ▶ Rs. 300,000
- ▶ Rs. 200,000
- ▶ **Rs. 107,000**
- ▶ Rs. 192,000

Question No: 48 (Marks: 1) - Please choose one

Mrs. Gilani has received basic salary of Rs. 300,000 during the tax year 2009. She has received matured Defence Saving Certificates of Rs. 80,000 of which 70,000 were encashed. What will be his taxable income?

- ▶ Rs. 960,000
- ▶ Rs. 110,000
- ▶ Rs. 50,000
- ▶ **Rs. 310,000**

$80,000 - 70,000 = 10,000$

$300,000 + 10,000 = 310,000$

FIN623 Online Quiz# (4 & 5)

Question # 1 of 15 (Start time: 02:32:45 AM)

Total Marks: 1

If an employee's taxable income is Rs.715,000 and he paid donations amounting Rs.10,000 to a charitable institution, what will be the value of 'C' in calculating tax credit?

Select correct option:

Rs.715, 000

Rs.214, 500

Rs.10, 000

Rs.224, 500

Question # 2 of 15 (Start time: 02:33:07 AM)

Total Marks: 1

Which one of the following section deals with intangibles?

Select correct option:

Section 22

Section 24

Section 222

Section 242

Question # 3 of 15 (Start time: 02:33:32 AM)

Total Marks: 1

Mr. A is an employee of Government of the Punjab, his data for the year 2010 is given

below. Salary: Rs. 60,000 per month Gratuity: Rs. 1,000,000 Calculate his taxable income.
Select correct option:

774,000

720,000

1,060,000

1,720,000

Question # 4 of 15 (Start time: 02:34:03 AM)

Total Marks: 1

A firm ABC maintaining its account in accrual basis, at June 27, 2008 it is entitled to receive Rs. 10,000 but actual payments made at 01 August 2008. In which year it is charged to tax?

Select correct option:

2006

2007

2008

2009

Question # 5 of 15 (Start time: 02:34:29 AM)

Total Marks: 1

Deficit Financing is one of the tools of which of the following policy?

Select correct option:

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Question # 6 of 15 (Start time: 02:34:35 AM)

Total Marks: 1

Following person is required to file tax return:

Select correct option:

Widow

Disabled person

The person has become bankrupt

Orphan below age of 25

Question # 7 of 15 (Start time: 02:36:04 AM)

Total Marks: 1

The process of clubbing of income results in which of the following?

Select correct option:

Lower Bracket rate of tax is charged

Higher Bracket rate of tax is charged

Moderate Bracket rate of tax is charged

No change occur due to clubbing

Question # 9 of 15 (Start time: 02:36:40 AM)

Total Marks: 1

Which of the following incomes are treated as agriculture income?

Select correct option:

Agro based industry

Spontaneous forests

Interest received by a farmer on lending

Income from land situated in Pakistan used for agriculture

Question # 10 of 15 (Start time: 02:36:52 AM) Total Marks: 1

Which of the following is the important content for calculating tax on income?

Select correct option:

Taxable Income

Residential Status

Tax Year

All of the given options

Question # 11 of 15 (Start time: 02:36:58 AM) Total Marks: 1

$(A / B) \times C$ In the above formula for calculating tax credit under section 61 of the Income tax Ordinance 2001, C represents which of the following?

Select correct option:

Amount of Gross tax

Person's taxable income for the tax year

Amount of exemption as per Ordinance

Net Income Of the year

Question # 13 of 15 (Start time: 02:38:27 AM) Total Marks: 1

Which of the following section deal with tax treatment of person who is a cultivator or

receiver of agricultural produce as rent-in-kind in the business of cultivator?

Select correct option:

Rule 11 of the IT Rule 2002

Section 40 of the Income Tax Ordinance 2001

Section 41 of the Income Tax Ordinance 2001

Section 42 of the Income Tax Ordinance 2001

Question # 14 of 15 (Start time: 02:38:40 AM) Total Marks: 1

In an association of person, 25% tax rate is applied where the taxable income exceeds:

Select correct option:

Rs 1,300,000

Rs 1,000,000

Rs 1,500,000

Rs 1,700,000

Question # 15 of 15 (Start time: 02:38:58 AM) Total Marks: 1

Deductions not allowed under the head income from business is defined by

Select correct option:

Section 20

Section 21

Section 25

Section 27

Question # 1 of 15 (Start time: 02:44:43 AM)

Total Marks: 1

A depreciable asset has normal useful life of:

Select correct option:

Six months

One year or more

Eleven months

None of the given options

Question # 2 of 15 (Start time: 02:44:49 AM)

Total Marks: 1

Expenses entitled to be paid by a Company, then entry of such expenses will be made in the books of accounts if:

Select correct option:

Company maintaining its books of account on Cash basi

Company maintaining its books of account on Accrual basis

Company maintaining its books of account on Both Accrual and Cash basis

None of the given options

Question # 3 of 15 (Start time: 02:44:56 AM)

Total Marks: 1

Every person owns immovable property, with a land area of _____ or more in

municipal limits, cantonment and CDA is required to file return of income tax.

Select correct option:

150 Sq. yards

200 Sq. yards

250 Sq. yards

350 Sq. yards

Question # 6 of 15 (Start time: 02:45:42 AM)

Total Marks: 1

Formula to compute the tax rate applies on gratuity received, "B" stands for;

Select correct option:

The total tax paid or payable by the employee for the three preceding tax years

The employee's total taxable income for the three preceding tax years

The gratuity received by the employee

None of the given options

Question # 7 of 15 (Start time: 02:46:01 AM)

Total Marks: 1

Which of the following tax is paid in relation to how much you earn?

Select correct option:

Income Tax

Inheritance Tax

Value added Tax

Sales Tax

Question # 9 of 15 (Start time: 02:46:20 AM)

Total Marks: 1

In case of discontinuance of business, what is the time period to file a return?

Select correct option:

Within 05days of discontinuance

Within 15days of discontinuance

Within 25days of discontinuance

Within 30days of discontinuance

Question # 10 of 15 (Start time: 02:46:44 AM

) Total Marks: 1

The formula used in the computation of capital gain is:

Select correct option:

A+B

A-B+C

A-B

A+B-C

Question # 12 of 15 (Start time: 02:48:18 AM

) Total Marks: 1

What rate is applied in normal depreciation of plant and machinery?

Select correct option:

5%

10%

15%

25%

Question # 13 of 15 (Start time: 02:48:37 AM

) Total Marks: 1

Mr. Z resident of Pakistan received dividend amounting Rs. 10,000 in UK from UK resident company. What is the tax treatment for calculating his gross total income?

Select correct option:

Added in total income

Subtracted from the total income

No treatment due to non-resident company

Exempt from tax

Question # 14 of 15 (Start time: 02:48:56 AM

) Total Marks: 1

Which of the following days shall be counted as half day for the computation of residential status of an individual?

Select correct option:

A Public Holiday

A day of sick leave

Any strike

None of the given options

Question # 15 of 15 (Start time: 02:49:08 AM

) Total Marks: 1

Pension is exempt under

Select correct option:

Clause (12) Part I of Second Schedule

Clause (121) Part I of Second Schedule

Clause (122) Part I of Second Schedule
Clause (112) Part I of Second Schedule
Question # 6 of 15 (Start time: 11:48:31 PM)

Total Marks: 1

Special tax year is adopted after seeking approval from the _____ under section 74(3).

Select correct option:

Commissioner

Tax Officer

Appellate Tribunal

Supreme Court

Question # 7 of 15 (Start time: 11:48:44 PM)

Total Marks: 1

Any income from a business carried on outside Pakistan through permanent Establishment by a resident person belongs to which of the following?

Select correct option:

Pakistani source of Income

Foreign source of income

Both Pakistan and foreign source of income

None of the given option

Question # 9 of 15 (Start time: 11:49:18 PM)

Total Marks: 1

Accrual basis accounting method is mandatory for which one of the following:

Select correct option:

Salaried person

Association of person

Companies

Proprietorship

Question # 10 of 15 (Start time: 11:49:31 PM)

Total Marks: 1

Which of the following is the main tool of Fiscal Policy?

Select correct option:

Taxes

Deficit Financing

Subsidies

Transfer Payments

Question # 11 of 15 (Start time: 11:49:48 PM)

Total Marks: 1

Which one of the following is excluded from the definition of capital asset?

Select correct option:

A postage stamp

Jewelry

Stock-in-trade

A painting

Question # 12 of 15 (Start time: 11:50:46 PM)

Total Marks: 1

Non-adjustable amounts shall be treated as rent and chargeable to tax, these amounts are spread over a period of

Select correct option:

05 years

10 years

15 years

20 years

Question # 13 of 15 (Start time: 11:51:02 PM) Total Marks: 1

Which of the following section deals with the residential status of Association of Person?

Select correct option:

Section 81

Section 82

Section 83

Section 84

Question # 14 of 15 (Start time: 11:51:20 PM) Total Marks: 1

If a cultivator used its agricultural produce as raw material in its business what will be the tax treatment of such agriculture produce?

Select correct option:

Market price of such produce will be deducted as business expenditure

The expenses of cultivation will be deducted as expense from business

The land revenue rent paid will be deducted as expense from business

All of the given options

Question # 15 of 15 (Start time: 11:51:35 PM) Total Marks: 1

_____ are allowable deductions in case if the tax payer is running a business.

Select correct option:

Salaries paid

Purchases

Office expenditures

All of the given options

Question # 1 of 15 (Start time: 12:02:12 AM) Total Marks: 1

Which part of the Income Tax Ordinance 2001 deals with Tax credits?

Select correct option:

Chapter III Part VII

Chapter III Part VIII

Chapter III Part IX

Chapter III Part X

Question # 2 of 15 (Start time: 12:02:24 AM) Total Marks: 1

Which of the following is a general compulsory contribution of wealth by the state, to meet the expenses incurred in

providing common benefits upon the residents?

Select correct option:

Fee

Taxes

Charges

Penalties

Question # 3 of 15 (Start time: 12:02:31 AM)

Total Marks: 1

Which one of the following is the main objective of Fiscal Policy?

Select correct option:

Economic Development

Price stability

Removal of deficit in Balance of Payment

All of the given options

Question # 4 of 15 (Start time: 12:02:38 AM)

Total Marks: 1

Bench Mark rate for the tax year 2010 is:

Select correct option:

8%

10%

12%

13%

Question # 5 of 15 (Start time: 12:02:55 AM)

Total Marks: 1

Deduction is allowed on expenditure on acquiring a depreciable asset whose useful life is:

Select correct option:

One year

More than one year

Three years

Five years

Question # 6 of 15 (Start time: 12:04:11 AM)

Total Marks: 1

Which one of the following canons of taxation suggests easiness in time of payment and mode of collection of tax?

Select correct option:

Simplicity

Convenience

Certainty

Capacity to Pay

Question # 8 of 15 (Start time: 12:04:31 AM)

Total Marks: 1

Who is liable to pay tax in a partnership form of business?

Select correct option:

Partners

Partnership firm

Partner with large share

None of the given options

Question # 9 of 15 (Start time: 12:04:37 AM)

Total Marks: 1

Mr. Afzal would like to compute the tax rate apply on the gratuity received the formula to compute the tax rate is.

Select correct option:

AxB/100

Ax100/B

A/Bx100

100XB/A

Question # 10 of 15 (Start time: 12:04:50 AM

) Total Marks: 1

Which of the following may grant approval to any gratuity fund?

Select correct option:

Federal Tax Ombudsman

Federal Government

Superior judiciary

Commissioner of Income Tax

Question # 13 of 15 (Start time: 12:05:32 AM

) Total Marks: 1

An Individual will be termed as Short Term

Resident under section 50 of the IT

Ordinance 2001 provided:

Select correct option:

His period of stay equal to 183 days

The employee of Federal Government

The citizen of Pakistan

Resident solely by reason of the individual's employment

Question # 2 of 15 (Start time: 12:09:04 AM)

Total Marks: 1

Any gain arising on the disposal of shares in a resident company belongs to which of the following?

Select correct option:

Foreign source of income

Pakistan source income

Both Pakistan and foreign source of income

None of the given option

Question # 3 of 15 (Start time: 12:09:19 AM)

Total Marks: 1

If the accounting year of firm manufacturing shawls is started from 1st April 2002 and ending on 31st March 2003. What will be its tax year?

Select correct option:

Tax year 2002

Tax year 2003

Tax year 2004

Tax year 2005

Question # 4 of 15 (Start time: 12:09:32 AM)

Total Marks: 1

Concept of separate legal entity of accounting applies on which of the following concepts in taxation under section 105 of the ordinance?

Select correct option:

Resident and permanent establishment

Non-resident and permanent establishment

Citizenship and permanent establishment

All of the given options

Question # 5 of 15 (Start time: 12:09:45 AM)

Total Marks: 1

A definition that includes the dictionary meanings of the word is termed as:

Select correct option:

Exclusive definition

Inclusive definition

Both Inclusive & Exclusive definitions

Statutory definition

Question # 7 of 15 (Start time: 12:09:58 AM)

Total Marks: 1

Any amount shall be foreign-source income if it is paid by:

Select correct option:

Resident person

Non-resident person

Citizen of Pakistan

All of the given options

Question # 9 of 15 (Start time: 12:10:26 AM)

Total Marks: 1

Utilities were exempted up to 10% of MTS or Basic salary till 30th June, 2006, vide clause 38 of part 1 of Second Schedule. This clause has been omitted by:

Select correct option:

Finance Ordinance 2004

Finance Ordinance 2005

Finance Act 2006

Finance Act 2007

Question # 10 of 15 (Start time: 12:10:32 AM) Total Marks: 1

Depreciation rate applied on all types of buildings under section 22 is:

Select correct option:

5%

10%

0.5%

3.5%

Question # 3 of 15 (Start time: 12:18:36 AM)

Total Marks: 1

Which of the following section of Income Tax Ordinance 2001 deals with perquisites of Income from Salary and its treatment?

Select correct option:

Section 11

Section 12

Section 13

Section 14

Question # 4 of 15 (Start time: 12:18:55 AM)

Total Marks: 1

Which of the following tax is paid from money you received from someone who has died?

Select correct option:

Income tax

Inheritance tax

Property tax

Sales tax

Question # 5 of 15 (Start time: 12:19:09 AM)

Total Marks: 1

Which of the following is NOT treated as transactions through the banking channel?

Select correct option:

Online transfer of payment

Payments through credit card

Payment through cash

None of the given options

Question # 7 of 15 (Start time: 12:20:40 AM)

Total Marks: 1

If M/s ABC and Co. an association of person is a non-resident AOP which of the following condition must be satisfied?

Select correct option:

Control and management of affairs of AOP is situated partly in Pakistan.

Control and management of affairs of AOP is situated wholly in Pakistan.

Control and management of affairs of AOP is situated wholly or partly in Pakistan

None of the given options

Question # 11 of 15 (Start time: 12:21:37 AM)

Total Marks: 1

Non-Agricultural income does Not includes which one of the following?

Select correct option:

Dividend paid by a company out of its agriculture income

Royalty income of mines

Profit on sale of standing crops

Income from fisheries

Question # 12 of 15 (Start time: 12:21:49 AM)

Total Marks: 1

Mr. Joseph is an employee of Foreign Government posted in Pakistan? What will be the residential status of Mr. Joseph?

Select correct option:

Resident Individual

Non- Resident Individual

Resident HUF

Resident AOP

Question # 15 of 15 (Start time: 12:22:35 AM)
Total Marks: 1

Which of the following is NOT a "Person" as defined in Sec 2 (42) of the Income Tax Ordinance?

Select correct option:

An Individual

The Federal Government

Public International Organization

None of the given option

Question # 2 of 15 (Start time: 12:26:48 AM)

Total Marks: 1

A definition that excludes the dictionary meanings of the word is termed as:

Select correct option:

Exclusive definition

Inclusive definition

Both Inclusive & Exclusive definitions

Statutory definition

Question # 3 of 15 (Start time: 12:26:54 AM)

Total Marks: 1

Senior citizen-age 60 years & above where taxable income not exceeding _____ tax liability reduced by 50% under Part 3 of second schedule.

Select correct option:

Rs. 200,000

Rs. 300,000

Rs. 400,000

Rs. 1,000,000

Question # 4 of 15 (Start time: 12:27:15 AM)

Total Marks: 1

Which of the following is the rate of tax for male salaried Individuals for tax year 2010, where the taxable income exceeds Rs.

200,000 but does not exceed Rs. 250,000?

Select correct option:

0%

0.25%

0.50%

0.75%

Question # 5 of 15 (Start time: 12:27:48 AM)

Total Marks: 1

Which part of income is charged to tax of non-resident person under the income tax ordinance 2001?

Select correct option:

Pakistani source of income

Foreign source of income

Both Pakistan and foreign source of income

None of the given option

Question # 6 of 15 (Start time: 12:28:16 AM)

Total Marks: 1

Gratuity fund which is fully exempt from tax is approved by:

Select correct option:

Income tax officer

Commissioner of income tax

Employer

CBR

Question # 7 of 15 (Start time: 12:28:40 AM)

Total Marks: 1

Liquidator is referred as:

Select correct option:

A liquidator of a company

A trustee for a bankrupt

A mortgagee in possession

All of the given options

Question # 8 of 15 (Start time: 12:29:00 AM)

Total Marks: 1

Flying allowance shall be taxed @:

Select correct option:

1.5% of amount received as a separate block of income

2% of amount received as a separate block of income

2.5% of amount received as a separate block of income

3.5% of amount received as a separate block of income

Question # 9 of 15 (Start time: 12:29:18 AM)

Total Marks: 1

Which one of the following is NOT a depreciable asset?

Select correct option:

Tangible movable property

Unimproved land

Tangible immovable property

Structural improvement to immovable property

Question # 10 of 15 (Start time: 12:30:33 AM)

Total Marks: 1

Which of the following is a literal meaning of tax?

Select correct option:

Burden

Endurance

Patience

Fortitude

Question # 11 of 15 (Start time: 12:30:57 AM)

Total Marks: 1

Which of the following is NOT the type of tax?

Select correct option:

Direct taxes

Indirect Taxes

Value Added Taxes

Fees and Penalties

Question # 12 of 15 (Start time: 12:31:15 AM) Total Marks: 1

Which of the following is the example of deem income?

Select correct option:

Cash Gift

Salary

Loan through cross cheque

Golden hand shake

Question # 14 of 15 (Start time: 12:31:45 AM) Total Marks: 1

Which of the following is NOT an admissible deduction under the head income from property?

Select correct option:

Unpaid rent

Property tax

Payment of premium

Fair market rent

Question # 15 of 15 (Start time: 12:32:17 AM) Total Marks: 1

Which one of the following sections deals with prizes and winnings?

Select correct option:

Section 110

Section 140

Section 156

Section 115

Question # 1 of 15 (Start time: 12:37:33 AM)

Total Marks: 1

General Provident (GP) Fund available in the Government Organization is also called as:

Select correct option:

Statutory Provident Fund

Recognized Provident

Unrecognized Provident Fund

None of the given options

Question # 3 of 15 (Start time: 12:37:57 AM)

Total Marks: 1

Which of the following is the tax where the tax rate remained fixed to the amount on which the rate is applied increases?

Select correct option:

Proportional tax

Progressive tax

Regressive tax

Corporate tax

Question # 8 of 15 (Start time: 12:39:06 AM)

Total Marks: 1

Which one of the following is the general meaning of Tax?

Select correct option:

Relax

Lighten

Relieve

Fatigue

Question # 11 of 15 (Start time: 12:39:30 AM)
Total Marks: 1

Which of the following is the Tax year available for salaried individual?

Select correct option:

1st January to 31st December

1st July to 30th June

1st October to 30th September

1st September to 31st August

Question # 15 of 15 (Start time: 12:41:34 AM)
Total Marks: 1

If any other office involved in the management of a company it is termed as:

Select correct option:

Employment

Employer

Employee

Business premises

Question # 1 of 15 (Start time: 12:47:32 AM)
Total Marks: 1

Mr. A employed in Pakistan received dividend amounting Rs. 10,000 in UK from Pakistani resident company. What is the tax treatment for calculating his gross total income?

Select correct option:

Added in total income

Subtracted from the total income

Added in income after tax

Exempt from tax

Question # 4 of 15 (Start time: 12:48:10 AM)
Total Marks: 1

Which one of the following is NOT a liquidator under section 141 of the income tax ordinance 2001?

Select correct option:

Receiver appointed by a Court

Trustee for a bankrupt

Mortgagee in possession

Tax payer

Question # 5 of 15 (Start time: 12:49:10 AM)
Total Marks: 1

Agricultural income does NOT include which one of the following?

Select correct option:

Rent or Revenue derived by a person from land

Income derived from land situated in Pakistan
The land is used for agricultural purposes

Income from spontaneous forest

Question # 6 of 15 (Start time: 12:49:23 AM)
Total Marks: 1

Mr. A's total taxable income for the year 2010 is Rs. 150,000. Which of the following is the tax liability of Mr. A?

Select correct option:

Nil

Rs. 375

Rs. 750

Rs. 1,125

Question # 7 of 15 (Start time: 12:49:54 AM)

Total Marks: 1

A return of income as required to be furnished under section 114 shall be in the form specified in:

Select correct option:

Part I of second schedule

Part II of second schedule

Part III of second schedule

All of the given options

Question # 8 of 15 (Start time: 12:51:18 AM)

Total Marks: 1

Which one of the following sections discusses the cash-basis accounting?

Select correct option:

Section 32

Section 33

Section 34

Section 36

Question # 9 of 15 (Start time: 12:51:45 AM)

Total Marks: 1

Pension received by an employee of the Government or the armed forces is exempt from tax define in:

Select correct option:

2nd Schedule Part 1 Cl.(8)

2nd Schedule Part 1 Cl.(25)

2nd Schedule Part 1 Cl.(9)

None of the given options

Question # 11 of 15 (Start time: 12:53:34 AM) Total Marks: 1

What is the rate of tax for a small company?

Select correct option:

10% of taxable income

20% of taxable income

25% of taxable income

30% of taxable income

Question # 12 of 15 (Start time: 12:53:53 AM)

Total Marks: 1

Loss from speculation business can be set off against

Select correct option:

Business income

Income earned from resident company

Speculation business income

None of the given options

Question # 15 of 15 (Start time: 12:55:08 AM)
Total Marks: 1

Income from building leased out together with
Plant & Machinery falls under

Select correct option:

Income from property

Income from salary

Income from capital gain

Income from other sources

Question # 2 of 15 (Start time: 01:03:43 AM)
Total Marks: 1

The Fiscal year is a period of _____ months
arbitrarily chosen for tax purposes.

Select correct option:

3

6

12

18

Question # 4 of 15 (Start time: 01:03:54 AM)
Total Marks: 1

A woman taxpayer shall be charged to tax if
taxable income is:

Select correct option:

Less than Rs. 100,000

Less than Rs. 200,000

More than Rs. 200,000

More than Rs. 260,000

Question # 5 of 15 (Start time: 01:04:48 AM)
Total Marks: 1

What is the residential status of Federal
Government of Pakistan?

Select correct option:

Resident Person

Resident Company

Resident AOP

Resident HUF

Question # 7 of 15 (Start time: 01:05:10 AM)
Total Marks: 1

In the formula of computing the capital gains,
A defines

Select correct option:

Cost of the asset

FMV of asset

Consideration received on disposal

None of the given options

Question # 10 of 15 (Start time: 01:06:32 AM)
Total Marks: 1

Provident fund maintained by a private
organization which has not been granted
recognition by the Income Tax Authorities, is
discussed in which of the following type of
provident fund

Select correct option:

Government provident fund

Recognized provident fund

Unrecognized provident fund

None of the given options

Not mentioned in Income Tax Ordinance

2001

Question # 14 of 15 (Start time: 01:08:40 AM

) Total Marks: 1

If capital asset has been held for more than one year, it is exempt from tax up to:

Select correct option:

10% of total capital gain

15% of total capital gain

25% of total capital gain

30% of total capital gain

Question # 4 of 15 (Start time: 02:19:35 AM)

Total Marks: 1

If tax payable of a sole proprietorship is Rs.

595,000, what will be the tax rate applied?

Select correct option:

12.50%

15.00%

7.50%

10.50%

Question # 6 of 15 (Start time: 02:20:21 AM)

Total Marks: 1

Land revenue rent (Lagan) is received by which of the following authority?

Select correct option:

High Court

Supreme Court

Income Tax Department

Provincial Government

Question # 13 of 15 (Start time: 02:24:00 AM

) Total Marks: 1

If tax payable of a partnership firm is Rs.

900,000, what will be the tax rate applied?

Select correct option:

21.50%

15.00%

17.50%

10.50%

Question # 3 of 15 (Start time: 02:30:47 AM)

Total Marks: 1

Valuation of stock is computes by the formula:

Select correct option:

A+B-C

A-B-C

A-B+C

A+B+C

Question # 4 of 15 (Start time: 02:31:24 AM)

Total Marks: 1

2(59) of Income Tax Ordinance 2001 defined: “shareholder” in relation to a company, includes a modaraba certificate holder, a unit holder of a unit trust and a beneficiary of a trust. In which criteria the above definition falls?

Select correct option:

Exclusive definition

Inclusive definition

Both Exclusive and Inclusive definitions

Statutory definition

Question # 5 of 15 (Start time: 02:31:48 AM)

Total Marks: 1

Gratuity will be ignored in computing taxable income of

Select correct option:

Resident person

Non-resident person

Income tax officer

Deceased person

Question # 6 of 15 (Start time: 02:32:08 AM)

Total Marks: 1

Achieving full employment level is one of the objectives of which of the following policy?

Select correct option:

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Question # 8 of 15 (Start time: 02:32:35 AM)

Total Marks: 1

For the year 2009 Mr. Ali has basic salary Rs. 40,000 p.m. what will be the salary of Mr. Ali for the tax year 2010?

Select correct option:

Rs. 480,000

Rs. 240,000

Rs. 40,000

Rs. 640,000

Question # 10 of 15 (Start time: 02:33:19 AM)

Total Marks: 1

Normally the salary income is taxed on cash basis but there is one exception available in Income Tax Ordinance 2001 that salary income can be taxed on due basis if there are reasonable grounds. Which of the following section deals with this exception?

Select correct option:

Section 53

Section 101

Section 110

Section 111

Question # 12 of 15 (Start time: 02:34:12 AM)

Total Marks: 1

Mr. X resident of Pakistan earned income from Property situated in London Rs. 50,000 but received in India. Which of the following is right for the above scenario?

Select correct option:

Mr. X being resident of Pakistan Rs. 50,000 will be added in Gross total income

Mr. X being resident of Pakistan Rs. 50,000 will be subtracted in Gross total income

Mr. X being resident of Pakistan Rs. 50,000 will be claimed as admissible deduction

Mr. X being resident of Pakistan Rs. 50,000 will be exempted

Question # 15 of 15 (Start time: 02:35:44 AM

) Total Marks: 1

Recognized provident fund is recognized by

Select correct option:

Income tax officer

Central board of revenue

Commissioner of income tax

High court

Question # 4 of 15 (Start time: 02:45:51 AM)

Total Marks: 1

Which one of the following is main difference between the tax and fee?

Select correct option:

Imposing authority

Applied Rates

Entitlement of Counter benefit

Mode of payment

Question # 5 of 15 (Start time: 02:46:08 AM)

Total Marks: 1

Which of the following is the External aid for the interpretation of tax laws?

Select correct option:

Preamble

Non-Obstinate clause

Title of a chapter

Finance Minister's budget speech

Question # 12 of 15 (Start time: 02:48:54 AM

) Total Marks: 1

Mr. Ali is an employee of ABC Co. He has

availed an interest free loan from his

Company. What will be the treatment of

Interest on loan as per Income Tax

Ordinance 2001?

Select correct option:

Salary of Ali includes the Interest on loan at benchmark rate

Salary of Ali includes the Interest on loan at lower than benchmark rate

Salary of Ali includes the Interest on loan at higher than benchmark rate

Amount of Interest on loan is exempted from Tax

Question # 1 of 15 (Start time: 04:54:14 AM)

Total Marks: 1

What will be the tax treatment of motor vehicle provided partly for official and partly for personal use?

Select correct option:

5% of cost (vehicle)

10% of cost (vehicle)

15% of cost (vehicle)

25% of cost (vehicle)

Question # 3 of 15 (Start time: 04:55:11 AM)

Total Marks: 1

Which one of the following sections defines minimum tax on resident companies?

Select correct option:

Section 110

Section 111

Section 113

Section 115

Question # 5 of 15 (Start time: 04:55:49 AM)

Total Marks: 1

Mr. A resident of Pakistan received interest on Australian Bonds Rs. 100,000 (half amount received in Pakistan). What is the

treatment of this amount for calculating his gross total income?

Select correct option:

Rs. 100,000 added in his total income

Rs. 100,000 subtracted from his total income

Rs. 50,000 added in his total income

Exempt from tax

Question # 8 of 15 (Start time: 04:56:35 AM)

Total Marks: 1

Concessional loan of Rs 1 million provided by employer @ of markup of 6% per annum (bench mark rate for tax year 2010 is 12% per annum), what will be the amount added back?

Select correct option:

Rs.60,000

Rs.40,000

Rs.90,000

Rs.130,000

Question # 9 of 15 (Start time: 04:56:53 AM)

Total Marks: 1

What is the time period given to a taxpayer to file a revised return?

Select correct option:

2 years

3 years

5 years

6 years

Question # 11 of 15 (Start time: 04:58:34 AM) Total Marks: 1

Members of income tax appellate tribunal are appointed by which of the following authorities?

Select correct option:

Provincial Government

Income Tax Department

Federal Government

Judicial Commission

Question # 12 of 15 (Start time: 04:59:21 AM) Total Marks: 1

The rate of income tax for Modarba Company is:

Select correct option:

20%

25%

30%

35%

Question # 14 of 15 (Start time: 04:59:58 AM) Total Marks: 1

Statutory provident fund is also known as:

Select correct option:

Recognized provident fund

Unrecognized provident fund

Government provident fund

None of the given options

Question # 1 of 15 (Start time: 05:04:37 AM) Total Marks: 1

Which one of the following specifies the rates of depreciation?

Select correct option:

Part I of 3rd schedule

Part II of 3rd schedule

Part III of 3rd schedule

None of the given options

Question # 13 of 15 (Start time: 05:07:08 AM) Total Marks: 1

Which of the following section deals with the residential status of Individual?

Select correct option:

Section 80

Section 81

Section 82

Section 83

Question # 14 of 15 (Start time: 05:07:39 AM) Total Marks: 1

Mr. A non-resident of Pakistan received interest on Australian Bonds Rs. 100,000 (half amount received in Pakistan). What is the treatment of this amount for calculating his gross total income?

Select correct option:

Rs. 100,000 added in his total income
Rs. 100,000 subtracted from his total income
Rs. 50,000 added in his total income

Exempt from tax

Question # 4 of 15 (Start time: 07:25:15 PM)

Total Marks: 1

Profit and gains arising out of speculation
business is chargeable to tax under

Select correct option:

Income from salary

Income from other sources

Income from business

Income from capital gains

Question # 9 of 15 (Start time: 07:27:11 PM)

Total Marks: 1

If an individual has taxable income Rs.
90,000, what will be the tax rate applied?

Select correct option:

0.5%

1%

0.25%

Nil

Question # 9 of 15 (Start time: 07:49:40 PM)

Total Marks: 1

Which of the following is the rate of tax for
salaried Individuals (male) for tax year 2010,

where the taxable income does not exceed
Rs. 200,000?

Select correct option:

0%

0.25%

0.50%

0.75%

Question # 12 of 15 (Start time: 08:08:36 PM)
Total Marks: 1

On which of the following deduction is
allowed from taxable income under the head
income from business?

Select correct option:

Any entertainment expenditure

Any personal expenditure

Brokerage

**Expenditure incurred by an amalgamated
company**

Question # 6 of 15 (Start time: 08:13:34 PM)

Total Marks: 1

Which of the following section defines
deductions allowed in computing income from
business?

Select correct option:

Section 21

Section 20

Section 120

Section 112

Question # 9 of 15 (Start time: 08:28:56 PM)

Total Marks: 1

_____ is the payment to the holder for the right to use property such as a patent, copyrighted material, or natural resources.

Select correct option:

Permanent Establishment

Royalty

Dividend

Goodwill

Question # 14 of 15 (Start time: 09:03:07 PM

) Total Marks: 1

As per clause 13(iii) of the part 1 of second schedule, if gratuity fund is approved by CBR, the amount of fund exempted up to Rs.

200,000 and any amount exceeding it will be taxed in which of the following way?

Select correct option:

Salary Income

Income from Business

Capital gain

Other Income

Question # 2 of 15 (Start time: 09:06:42 PM)

Total Marks: 1

Which of the following come under the ambit of Royalty under section 2 (54)?

Select correct option:

Right to use any patent

Copy right of a literary

Right to use any industrial or scientific equipment

All of the given options

Question # 2 of 15 (Start time: 09:21:49 PM)

Total Marks: 1

Profit earned on debts is chargeable under

Select correct option:

Income from salary

Income from other sources

Income from business

Income from capital gains

Question # 1 of 15 (Start time: 02:19:47 AM)

Total Marks: 1

Which one of the following principle of tax emphasized, that the taxation policy should be designed in such a way to boost business atmosphere and the investment environment in the country?

Select correct option:

Convenience

Judicious

Capacity to Pay

Business friendly

Question # 4 of 15 (Start time: 02:22:39 AM)

Total Marks: 1

Miss Sonia's total taxable income for the year 2010 is Rs. 260,000. Which of the following is the tax liability of Miss Sonia?

Select correct option:

Nil

Rs. 500

Rs. 1,000

Rs. 1,500

Question # 5 of 15 (Start time: 02:23:49 AM)

Total Marks: 1

In Income Tax Ordinance 2001 tax concessions meant for which of the following?

Select correct option:

Reduction in tax liability

Reduction in tax rate

Reduction in taxable Income

All of the given options

Question # 6 of 15 (Start time: 02:24:10 AM)

Total Marks: 1

Which of the following is the deductible allowance from the income of an individual?

Select correct option:

Zakat

Worker's Welfare Fund

Work's Participation Fund

All of the given options

Question # 13 of 15 (Start time: 02:29:49 AM)

Total Marks: 1

In which of the following heads of Income No deductions are allowed:

Select correct option:

Salary

Income from Property

Income from Business

Capital Gains

Question # 3 of 15 (Start time: 02:53:02 AM)

Total Marks: 1

Mr. A is an employee of ABC Co. The company has provided a driver and a gardener to Mr. A. What will be the tax treatment of their salaries under section 13 of Income Tax Ordinance 2001?

Select correct option:

These salaries, will be added in the salary of Mr. A

These salaries will be subtracted from the salary of Mr. A

These salaries have no relation with the salary of Mr. A

These Salaries will be exempted from Tax

Question # 10 of 15 (Start time: 02:57:03 AM) Total Marks: 1

Income tax ordinance, 2001 became effective from which of the following date?

Select correct option:

1st July 2001

13th September 2001

1st July 2002

13th September 2002

Question # 15 of 15 (Start time: 03:14:18 AM) Total Marks: 1

Mr. A non-resident person employed in UK received Rs. 500,000 as salary. Which of the following statement is true for Mr. A?

Select correct option:

Rs. 500,000 will be added in Gross total income being non resident person

Rs. 500,000 will be subtracted from Gross total income being non resident person

Rs. 500,000 will be exempt from tax being non resident person

None of the given options

Question # 6 of 15 (Start time: 03:37:48 AM) Total Marks: 1

Total income of a person for a tax year shall be the sum of the person's income under which of the following head?

Select correct option:

Only Income from salary

Only Income from Business

Only Income from Property

All of the given options

Question # 12 of 15 (Start time: 03:39:02 AM) Total Marks: 1

Suppose a money lender give loan to a farmer of Rs. 100,000. After the due time the farmer pay back the loan in shape of agriculture produce amounting Rs. 110,000 to money lender. What will be the tax treatment of Rs. 110,000?

Select correct option:

Tax will be charged only on Rs. 100,000

Tax will be charged only on Rs. 10,000

Tax will be charged only on Rs. 110,000

Exempt as Agriculture Income

Question # 13 of 15 (Start time: 03:39:15 AM) Total Marks: 1

Which of the following is similar to the concept of clubbing of Incomes?

Select correct option:

Unification only two heads of Income

Association of two or more heads of Income

Splitting up of only two heads of Income

Division of two or more than two heads of Income

Question # 14 of 15 (Start time: 03:39:26 AM)
Total Marks: 1

The Chairman of CBR has the responsibility for which of the following measures?

Select correct option:

Formulation and administration of fiscal policies

Levy and collection of federal taxes

Quasi-judicial function of hearing of appeals

All of the given options

Question # 5 of 15 (Start time: 01:04:34 AM)
Total Marks: 1

Pride of performance awarded by President is exempt from tax. Under which section it is treated in Income Tax ordinance 2001?

Select correct option:

Section 40

Section 41

Section 45

Section 46

Question # 7 of 15 (Start time: 01:06:29 AM)
Total Marks: 1

Which of the following expression is used in computing tax credit?

Select correct option:

A/B x C

B/A x C

A/C x B

C/B x A

Question # 8 of 15 (Start time: 01:07:39 AM)
Total Marks: 1

What is the residential status of Provincial Government of Pakistan?

Select correct option:

Resident Individual

Resident Company

Resident AOP

Resident HUF

Question # 9 of 15 (Start time: 01:08:12 AM)
Total Marks: 1

Which of the following is included in the Scheme of the Income Tax Ordinance 2001?

Select correct option:

Chapters

Sections

Schedules

All of the given options

Question # 3 of 15 (Start time: 01:26:00 AM)
Total Marks: 1

Agricultural income includes which one of the following?

Select correct option:

Dividend paid by a company out of its agriculture income

Income from fisheries

Royalty income of mines

Share of profit of a partner from a firm engaged in agricultural

Question # 1 of 15 (Start time: 04:16:29 AM)

Total Marks: 1

Mr Ali is an employee of ABC Co. the company has provided a driver and a gardener to Mr. Ali. What will be the treatment of their salaries as per Income Tax Ordinance 2001?

Select correct option:

The salaried paid to them added in the salary of MR. Ali

The salaried paid to them subtracted in the salary of MR. Ali

Have no relation with salary of Mr. Ali

The Salaried paid are exempted from Tax

Question # 5 of 15 (Start time: 04:19:46 AM)

Total Marks: 1

Which of the following is the legal status of Al-Habib Bank Limited under section 80 of the ordinance?

Select correct option:

Individual

Firm

Banking Company

Hindu Undivided Family

Question # 13 of 15 (Start time: 04:23:36 AM

) Total Marks: 1

Profit on debt shall be Pakistan-source income if it is:

Select correct option:

Paid by a resident person

Paid by the resident person from business carried on outside Pakistan through a permanent establishment

Paid by non-resident person

All of the given options

Question # 15 of 15 (Start time: 04:24:47 AM

) Total Marks: 1

What is the tax treatment of losses from the foreign source under section 104 of the ordinance?

Select correct option:

Wholly taxable

Partly Taxable

Deductible expenditure

None of the given options

Question # 1 of 15 (Start time: 04:28:53 AM)

Total Marks: 1

Loss can be carried forward up to how many years?

Select correct option:

3 years

4 years

5 years

6 years

Question # 4 of 15 (Start time: 04:30:50 AM)

Total Marks: 1

Which of the following person fulfilled the criteria of a Taxpayer?

Select correct option:

Any representative of a person who derives an amount chargeable to tax

Any person who is required to deduct or collect tax

Any person required to furnish a return of income

All of the given options

Question # 12 of 15 (Start time: 04:36:17 AM)

Total Marks: 1

The age of senior citizen was 65years and now amended to 60years which of the following finance act substituted 65 to 60years?

Select correct option:

Finance Act 2005

Finance Act 2006

Finance Act 2007

Finance Act 2008

Question # 14 of 15 (Start time: 04:37:43 AM)

Total Marks: 1

Mr. X resident of Pakistan remittance from UK received Rs. 20,000 in Pakistan from past profits. Which of the following is right for the above scenario?

Select correct option:

Mr. X being resident of Pakistan Rs. 20,000 will be added in Gross total income

Mr. X being resident of Pakistan Rs. 20,000 will be Subtracted in Gross total income

Mr. X being non-resident of Pakistan Rs. 20,000 will be added in Gross total income

None of the given options

Question # 5 of 15 (Start time: 04:48:26 AM)

Total Marks: 1

Which of the following tax is payable on merchandise imported or exported from one country to another?

Select correct option:

Custom duty

Income tax

Sales tax

Wealth tax

Question # 8 of 15 (Start time: 04:50:18 AM)

Total Marks: 1

Which of the following is an example of Lump sum receipt?

Select correct option:

Pension

Golden shake hand

Provident fund

All of the given options

Question # 3 of 15 (Start time: 05:09:58 AM)

Total Marks: 1

Income from lease of tangible movable property is chargeable to tax under

Select correct option:

Income from property

Income from other sources

Income from business

Income from capital gains

Question # 4 of 15 (Start time: 06:55:45 PM)

Total Marks: 1

Which of the following is the general formula for calculating tax credits?

Select correct option:

$(A + B) \times C$

$(A - B) \times C$

$(A / B) \times C$

$(A / B) + C$

Question # 13 of 15 (Start time: 07:00:25 PM)

Total Marks: 1

In the normal circumstances on which of the following tax is charged?

Select correct option:

Gross Receipt

Total Income

Taxable Income

Gross Income

Question # 1 of 15 (Start time: 07:24:44 PM)

Total Marks: 1

Approval of Gratuity fund can be withdrawn on which of the following grounds?

Select correct option:

On the expiry of time period

On the death of the employee

On the malfunctioning of the trust

On the death of trustee

Question # 3 of 15 (Start time: 07:27:12 PM)

Total Marks: 1

In a tax _____ you give information about what you earn every year.

Select correct option:

Return

Statement

Sheet

Report

Question # 10 of 15 (Start time: 07:30:55 PM) Total Marks: 1

What is the tax treatment of any profit on the US Dollar Bonds purchased by the non resident person before December 1999 under clause 82 of the Second Schedule?

Select correct option:

Wholly taxable

Wholly exempt

Partly taxable

Not mention in second schedule

Question # 13 of 15 (Start time: 07:31:59 PM) Total Marks: 1

Sec. 02 of Income Tax Ordinance 2001 defined: "Appellate Tribunal means the Appellate Tribunal established under section 130" In which criteria the above definition falls?

Select correct option:

Exclusive definition

Inclusive definition

Both Exclusive and Inclusive definitions

Statutory definition

Question # 11 of 15 (Start time: 08:04:19 PM) Total Marks: 1

Taxes are important instrument of which of the following policy?

Select correct option:

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Question # 3 of 15 (Start time: 09:06:25 PM)

Total Marks: 1

Which of the following income is chargeable to tax?

Select correct option:

Gross income from business

Income computed in line with provisions of Ordinance

Only basic salary of salaried person

Basic salary excluding allowances of a salaried person

Question # 8 of 15 (Start time: 09:11:08 PM)

Total Marks: 1

Which one of the following principles of tax emphasized, that the taxation policy should be designed in such a way to boost business atmosphere and the investment environment in the country?

Select correct option:

Convenience

Judicious

Capacity to Pay

Business friendly

Question # 12 of 15 (Start time: 09:16:11 PM

) Total Marks: 1

Which of the following is the Special Accounting Year of Companies exporting rice?

Select correct option:

1st January to 31st December

1st July to 30th June

1st October to 30th September

1st September to 31st August

Question # 12 of 15 (Start time: 10:02:23 PM

) Total Marks: 1

It is mandatory for each Company to maintain its books of accounts on which of the following methods?

Select correct option:

Cash basis

Accrual basis

Both cash and accrual basis

Free to choose any kind of base

Question # 11 of 15 (Start time: 07:13:37 PM

) Total Marks: 1

Which one of the following is the general definition of tax?

Select correct option:

Compulsory contribution of wealth by persons

Optional contribution of wealth by persons

Compulsory contribution of wealth by state

Optional contribution of wealth by state

Question # 6 of 15 (Start time: 03:29:18 AM)

Total Marks: 1

M/s ABC & Co. has been incorporated under Pakistan Companies Ordinance

1984.However its most of the branches are operated out of Pakistan? What will be the residential status of M/s ABC & Co.?

Select correct option:

Resident Company

Non- Resident Company

Resident Individual

Resident AOP

_____ are a form of excise levied when a commodity is sold to its final consumer.

Corporation tax

Property tax

Sales Tax

Excise

Federal government has been empowered vide section 53 (2) and (3) to make Amendments in the second schedule by:

Select correct option:

Adding any clause or condition therein

Omitting any clause or condition therein

Making any change in any clause or condition therein

All of the given options

Any dividend is Pakistan source income if it is paid by which of the following?

Select correct option:

By resident Company

By non resident Company

By resident Individual

By resident AOP

Which of the following section deals with the residential status of Person?

Select correct option:

Section 81

Section 82

Section 83

Section 84

Which of the following section deals with the residential status of Company?

Select correct option:

Section 81

Section 82

Section 83

Section 84

Question # 10 of 15 (Start time: 01:35:02 PM) Total Marks: 1

Which of the following methods of accounting is compulsory to adopt for

Soleproprietorship?

Select correct option:

Accrual Basis

Cash Basis

Both accrual and cash bases

Free to choose any kind of base

Question # 15 of 15 (Start time: 02:25:57 PM) Total Marks: 1

Which of the following is not included in business?

Select correct option:

Commerce

Manufacture

Profession

Employment

Question # 10 of 15 (Start time: 03:15:14 PM) Total Marks: 1

Tax year for the salaried individuals is called as:

Select correct option:

Special Tax Year

Normal Tax Year

Fiscal Year

Financial Year

Question # 15 of 15 (Start time: 03:18:22 PM

) Total Marks: 1

A firm ABC maintaining its account in cash basis, at June 27, 2008 it is entitled to receive Rs. 10,000 but actual payments made at 01 August 2008. In which year it is charged to tax?

Select correct option:

2006

2007

2008

2009

Question # 2 of 15 (Start time: 03:33:27 PM)

Total Marks: 1

Any amount received under Part 3 of Second Schedule, as flying allowance by pilots etc. and junior commissioned officers or other ranks shall be taxed at the rate of _____ as separate block.

Select correct option:

2.5%

5.5%

7.5%

9.5%

Question # 13 of 15 (Start time: 04:09:13 PM

) Total Marks: 1

Condition for the approval of gratuity fund is based on which of the following?

Select correct option:

Trust is irrevocable

Trust is revocable

Trust is established by Government

Trust is approved by Officer of Income Tax

Question # 2 of 15 (Start time: 07:56:46 PM)

Total Marks: 1

Which of the following is the rate of tax for salaried Individuals for tax year 2010, where the taxable income exceeds Rs. 550,000 but does not exceed Rs. 650,000?

Select correct option:

1.50%

2.50%

3.50%

4.50%

Question # 5 of 15 (Start time: 02:54:13 AM)

Total Marks: 1

Which of the following is the rate of tax for salaried Individuals for tax year 2010, where the taxable income exceeds Rs. 650,000 but does not exceed Rs. 750,000?

Select correct option:

3.50%

4.50%

6.00%

7.50%

Question # 7 of 15 (Start time: 03:08:48 AM)

Total Marks: 1

Which of the following is the rate of tax for salaried Individuals for tax year 2010, where the taxable income exceeds Rs. 900,000 but does not exceed Rs. 1,050,000?

Select correct option:

9.00%

10.00%

11.00%

12.50%

Question # 10 of 15 (Start time: 04:22:12 AM

) Total Marks: 1

MTS stands for which of the following?

Select correct option:

Minimum time scale

Minimum transfer Salary

Maximum time scale

Maximum transfer Salary

Question # 4 of 15 (Start time: 06:28:29 PM)

Total Marks: 1

Which of the following is tax, where the tax rate decreases as the amount to which the rate is applied increases?

Select correct option:

Proportional tax

Progressive tax

Regressive tax

Corporate tax

Question # 2 of 15 (Start time: 06:53:55 PM)

Total Marks: 1

Mr. X employed in Pakistan earned pension from Pakistan Government but received in London Rs. 100,000. Which of the following is right for the above scenario?

Select correct option:

Mr. X being resident of Pakistan Rs.

100,000 will be added in Gross total income

Mr. X being resident of Pakistan Rs. 100,000 will be subtracted in Gross total income

Mr. X being resident of Pakistan Rs. 100,000 will be added in total income after tax

Mr. X being non-resident of Pakistan Rs. 100,000 will be exempted

Question # 10 of 15 (Start time: 08:03:55 PM) Total Marks: 1

Concessional loan provided by the employer is taxable and added back to the income of employee. But under which of the following condition there is no need to add back such loan?

Select correct option:

Loan used for the purchase of furniture

Loan used for the education of children

Loan used for the construction of house

Loan used for the purchase of shares

Question # 12 of 15 (Start time: 01:10:38 AM) Total Marks: 1

If a business carried on by Non-resident person in Pakistan through permanent establishment what will be the tax treatment of the traveling expenditures born by the non-resident for spending his holidays in his home land?

Select correct option:

Wholly taxable due to PE

Wholly taxable as no concerned with PE in Pakistan

Not permissible as deduction from the income of Non-resident

None of the given options

Question # 10 of 15 (Start time: 03:10:40 AM) Total Marks: 1

What is the tax treatment of the leave encashment on the retirement of the employee?

Select correct option:

Wholly Taxable

Wholly exempt

Partly Taxable

Question # 8 of 15 (Start time: 02:56:10 AM)

Total Marks: 1

Income chargeable under the head "Income from Business" derived by a Provincial Government or local authority from a business carried on outside its jurisdictional area, will be:

Select correct option:

Wholly taxable

Wholly exempt

Partially exempt

Section is silent about it

Question # 15 of 15 (Start time: 02:50:39 AM)

Total Marks: 1

Which of the following is the Tax Treatment of utilities for the year 2010?

Select correct option:

Wholly taxable

Wholly exempted

Exempt up to 10% of MTS

Exempt up to 45% of MTS

Question # 7 of 15 (Start time: 02:46:36 AM)

Total Marks: 1

Gratuity pertaining to government employees received on retirement/ death of the employee. Which of the following is the tax treatment of gratuity under the Income Tax Ordinance 2001?

Select correct option:

Wholly exempt

Partially exempt

Wholly taxable

None of the given options

Question # 3 of 15 (Start time: 02:44:28 AM)

Total Marks: 1

Which of the following is the tax treatment of free hospitalization services provided under the terms of employment?

Select correct option:

Wholly exempt

Wholly taxable

Exempt up to 10% of MTS

Taxable up to 10% of MTS

Question # 7 of 15 (Start time: 02:20:38 AM)

Total Marks: 1

Gratuity received by a non-resident person is
Select correct option:

Wholly exempt

Wholly taxable

50% of amount receivable

50 % of B.S

Question # 13 of 15 (Start time: 01:08:20 AM)

Total Marks: 1

Gratuity Approved by Central Board of Revenue is

Select correct option:

Wholly exempt

Wholly taxable

Exempt up to Rs. 200,000

50% of amount receivable

Question # 11 of 15 (Start time: 12:11:54 AM)

Total Marks: 1

Income of the recognized vocational institution is

Select correct option:

Wholly taxable

Exempt

Exempt up to 50%

Partially taxable

Question # 8 of 15 (Start time: 02:46:08 AM)

Total Marks: 1

Any Pakistan-source income which Pakistan is not permitted to tax under a tax treaty shall be _____.

Select correct option:

Wholly Taxable

Wholly Exempt

Partly Exempt

Not mention in Ordinance

Question # 12 of 15 (Start time: 02:37:10 AM) Total Marks: 1

What is the tax treatment of income from the sale of Mudarba Certificates?

Select correct option:

Wholly taxable

Wholly exempt

Partially taxable

Partially exempt

Question No: 41 (Marks: 1) - Please choose one

What is the tax treatment of recognized Provident fund under section 2 (48) of part I of sixth schedule?

- ▶ Wholly exempt
- ▶ **Partially taxable**
- ▶ Wholly taxable
- ▶ Partially exempt

Question No: 7 (Marks: 1) - Please choose one

What is the tax treatment of support payment received by spouse made under the agreement to live apart?

- ▶ Wholly Taxable
- ▶ **Wholly Exempt**
- ▶ Partly Exempt
- ▶ Not mention in Ordinance

Question No: 41 (Marks: 1) - Please choose one

Which of the following is the Tax Treatment of utilities for the year 2009?

Wholly taxable

Wholly exempted

Exempt up to 10% of MTS

Exempt up to 1% of MTS

Ref page 46)

Utilities were exempt up to 10% of MTS or Basic salary till 30th June, 2006, vide clause 38 of part 1 of Second Schedule. This clause has been omitted by Finance Act, 2006. Hence no exemption is available for tax year 2009.

Question No: 10 (Marks: 1) - Please choose one

What is the tax treatment of the leave encashment of the armed forces of Pakistan on retirement made by the employer?

Wholly Taxable

Wholly exempt

Partly Taxable

Not mention in Income Tax Ordinance 2001

Ref:Pg#39

Leave Salary:

This is taxable whenever received or right to receive is exercised by the employee.

Leave encashment on retirement falls in this category. The only exemption available is for the members of the Armed Forces of Pakistan, employees of the Federal Government and Provincial Governments.

Question # 13 of 15 (Start time: 02:58:59 AM) Total Marks: 1

What is the tax treatment of the reimbursement of expenditure made by the employer?

Select correct option:

Wholly Taxable

Wholly exempt

Partly Taxable

Not mentioned in Income Tax Ordinance 2001

Question # 15 of 15 (Start time: 03:59:33 PM) Total Marks: 1

Income of a Text-Book Board is

Select correct option:

Wholly taxable

Exempt

Exempt up to 50%

None of the given options

Question # 4 of 15 (Start time: 10:45:11 PM) Total Marks: 1

What is the tax treatment of the salary of an employee of foreign government but citizen of Pakistan?

Select correct option:

Exempt form tax

Wholly Taxable

Partly Taxable

No Tax treatment given in IT Ordinance 2001

Question # 10 of 15 (Start time: 06:03:30 PM) Total Marks: 1

Mr.John a non-resident received profit in Pakistan on a security issued by a resident person, how the profit will be treated under sec (46) of IT Ordinance 2001?

Select correct option:

Wholly Taxable

Wholly Exempt

Partly Exempt

None of the given options

Question # 8 of 15 (Start time: 11:49:03 PM)

Total Marks: 1

Conveyance provided by employer for personal use of the employee is only taxed @ 5% of the cost to the employer for acquiring the vehicle or the fair market value of vehicle.

Select correct option:

True

False

Question # 5 of 15 (Start time: 11:48:07 PM)

Total Marks: 1

A cash amount paid by a person as donation shall be taken into account only if it was paid by a crossed cheque drawn on a bank.

Select correct option:

True

False

Question # 15 of 15 (Start time: 06:33:03 PM)

Total Marks: 1

Tax year for the salaried individuals is called as Special Tax Year.

Select correct option:

True

False

Question # 9 of 15 (Start time: 03:09:36 AM)

Total Marks: 1

Payment of Zakat is entitled to a deductible allowance according to provisions of sec.60.

Select correct option:

True

False

Question # 7 of 15 (Start time: 08:36:01 PM)

Total Marks: 1

Bonuses are fully taxable under Income Tax Ordinance 2001.

Select correct option:

True

False

Question # 11 of 15 (Start time: 08:00:17 PM)

Total Marks: 1
Tax rate for taxable income for the tax year 2010 exceeding Rs 550,000 up to Rs 650,000 is 6.0% as given in the first schedule of Income Tax Ordinance 2001.

Select correct option:

True

False

Question # 7 of 15 (Start time: 04:56:19 AM)

Total Marks: 1

Gratuity is only granted in case of retirement.

Select correct option:

True

False

Question # 9 of 15 (Start time: 02:22:56 AM)

Total Marks: 1

Gratuity is received by legal heirs, where employee dies before retirement the gratuity would be exempted in the hands of legal heirs of the deceased.

Select correct option:

True

False

Question # 13 of 15 (Start time: 12:22:05 AM

) Total Marks: 1

Officer of Income Tax may grant approval to any gratuity fund.

Select correct option:

True

False

Question # 14 of 15 (Start time: 12:22:21 AM

) Total Marks: 1

Gratuity will be ignored while computing taxable income and tax liability of a deceased person.

Select correct option:

True

False

Question # 6 of 15 (Start time: 12:20:15 AM)

Total Marks: 1

Any obligation of employee waived off by employer will not be added back to his taxable income.

Select correct option:

True

False

Question # 8 of 15 (Start time: 02:36:18 AM)

Total Marks: 1

Government provident fund is

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

Question # 7 of 15 (Start time: 08:01:41 PM)

Total Marks: 1

Unrecognized provident fund is

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

Question # 11 of 15 (Start time: 02:57:21 AM

) Total Marks: 1

Pension received by a citizen of Pakistan is _____ from tax.

Select correct option:

Partially taxable

Fully taxable

Taxable 25% of the pension received

Totally exempt

Question # 2 of 15 (Start time: 02:17:52 AM)

Total Marks: 1

Pension is treated as

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

Question # 6 of 15 (Start time: 03:07:43 AM)

Total Marks: 1

Pension granted to disabled is treated as

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

Not mentioned in Income Tax Ordinance

2001