

Taxation Management – FIN 623

MEGA File MCQ's

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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.

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

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;

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

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**

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**

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.

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

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

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.

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

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.

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

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)

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

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)

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

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

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%**

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%

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%

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%

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

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

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

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

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

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

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:

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

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

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

_____ 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,

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

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”

'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

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%

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**

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

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.

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

- ▶ **On prescribed form**
- ▶ On plain 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)

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**

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

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.

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

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.

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%

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%**

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%**

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

- ▶ Indirect tax
- ▶ Broad based
- ▶ Elastic/ Flexible
- ▶ **None of the given options**

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

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

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

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

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

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**

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;

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).

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

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

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

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

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

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

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

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

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

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

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

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)

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

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

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.

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

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

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

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**

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

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):

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%.

A/B

The above formula is for the calculation of Amortization deduction allowed under secti 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

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

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

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**

Income from Dividends 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**

Ref:Pg#83

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

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

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.

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

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.

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**

Statutory Provident Fund is governed by:

- ▶ Finance Act 2006
- ▶ Insurance Act 1969
- ▶ **Provident Funds Act 1925**
- ▶ None of the given options appetence

Ref:Pg#60

Types:

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

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

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

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%**

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%

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

Which of the following is not an employment tax?

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

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**

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

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

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

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

Certain incomes those are excluded from tax are called as:

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

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

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**

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

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

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

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

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

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**

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**

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

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.

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

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;

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**

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*10%=3,018

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

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%

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

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;

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**

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

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

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

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

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**

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=

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

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

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

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**

$$80,000 - 70,000 = 10,000$$
$$300,000 + 10,000 = 310,000$$

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

Which one of the following section deals with intangibles?

Select correct option:

- Section 22
- Section 24**
- Section 222
- Section 242

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

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

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

Select correct option:

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Following person is required to file tax return:

Select correct option:

Widow

Disabled person

The person has become bankrupt

Orphan below age of 25

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

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

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

$(A / B) \times C$ 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

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

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

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

Select correct option:

Section 20

Section 21

Section 25

Section 27

A depreciable asset has normal useful life of:

Six months

One year or more

Eleven months

None of the given options

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 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

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

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

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

Income Tax

Inheritance Tax

Value added Tax

Sales Tax

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

Within 05days of discontinuance

Within 15days of discontinuance

Within 25days of discontinuance

Within 30days of discontinuance

The formula used in the computation of capital gain is:

Select correct option:

A+B

A-B+C

A-B

A+B-C

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

5%

10%

15%

25%

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?

Added in total income

Subtracted from the total income

No treatment due to non-resident company

Exempt from tax

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

A Public Holiday

A day of sick leave

Any strike

None of the given options

Pension is exempt under:

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

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

Commissioner

Tax Officer

Appellate Tribunal

Supreme Court

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

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

Select correct option:

Salaried person

Association of person

Companies

Proprietorship

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

Select correct option:

Taxes

Deficit Financing

Subsidies

Transfer Payments

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

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

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

Section 81

Section 82

Section 83

Section 84

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

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

Salaries paid

Purchases

Office expenditures

All of the given options

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

Chapter III Part VII

Chapter III Part VIII

Chapter III Part IX

Chapter III Part X

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

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

Bench Mark rate for the tax year 2010 is:

8%

10%

12%

13%

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

One year

More than one year

Three years

Five years

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

Simplicity

Convenience

Certainty

Capacity to Pay

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

Partners

Partnership firm

Partner with large share

None of the given options

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

$A \times B / 100$

$A \times 100 / B$

$A / B \times 100$

$100 \times B / A$

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

Federal Tax Ombudsman

Federal Government

Superior judiciary

Commissioner of Income Tax

An Individual will be termed as Short Term Resident under section 50 of the IT Ordinance 2001 provided:
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

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

Pakistan source income

Both Pakistan and foreign source of income

None of the given option

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

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

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

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

Resident person

Non-resident person

Citizen of Pakistan

All of the given options

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

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

5%

10%

0.5%

3.5%

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

Section 11

Section 12

Section 13

Section 14

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

Income tax

Inheritance tax

Property tax

Sales tax

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

Online transfer of payment

Payments through credit card

Payment through cash

None of the given options

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

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

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

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

An Individual

The Federal Government

Public International Organization

None of the given option

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

Exclusive definition

Inclusive definition

Both Inclusive & Exclusive definitions

Statutory definition

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

Rs. 200,000

Rs. 300,000

Rs. 400,000

Rs. 1,000,000

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%

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

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

Select correct option:

Income tax officer

Commissioner of income tax

Employer

CBR

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

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

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

Which of the following is a literal meaning of tax?

Select correct option:

Burden

Endurance

Patience

Fortitude

Which of the following is NOT the type of tax?

Select correct option:

Direct taxes

Indirect Taxes

Value Added Taxes

Fees and Penalties

Which of the following is the example of deem income?

Select correct option:

Cash Gift

Salary

Loan through cross cheque

Golden hand shake

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

Unpaid rent

Property tax

Payment of premium

Fair market rent

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

Section 110

Section 140

Section 156

Section 115

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

Statutory Provident Fund

Recognized Provident

Unrecognized Provident Fund

None of the given options

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

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

Select correct option:

Relax

Lighten

Relieve

Fatigue

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

1st January to 31st December

1st July to 30th June

1st October to 30th September

1st September to 31st August

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

Employment

Employer

Employee

Business premises

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

Which one 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

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

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

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

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

Select correct option:

Section 32

Section 33

Section 34

Section 36

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

2nd Schedule Part 1 Cl.(8)

2nd Schedule Part 1 Cl.(25)

2nd Schedule Part 1 Cl.(9)

None of the given options

What is the rate of tax for a small company?

10% of taxable income

20% of taxable income

25% of taxable income

30% of taxable income

Loss from speculation business can be set off against:

Business income

Income earned from resident company

Speculation business income

None of the given options

Income from building leased out together with Plant & Machinery falls under
Income from property
Income from salary
Income from capital gain
Income from other sources

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

3
6
12
18

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

Less than Rs. 100,000
Less than Rs. 200,000
More than Rs. 200,000
More than Rs. 260,000

What is the residential status of Federal Government of Pakistan?

Resident Person
Resident Company
Resident AOP
Resident HUF

In the formula of computing the capital gains, A defines

Cost of the asset
FMV of asset
Consideration received on disposal
None of the given options

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

Government provident fund
Recognized provident fund
Unrecognized provident fund
None of the given options
Not mentioned in Income Tax Ordinance 2001

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

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%

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

High Court

Supreme Court

Income Tax Department

Provincial Government

If tax payable of a partnership firm is Rs. 900,000, what will be the tax rate applied?

21.50%

15.00%

17.50%

10.50%

Valuation of stock is computed by the formula:

A+B-C

A-B-C

A-B+C

A+B+C

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?

Exclusive definition

Inclusive definition

Both Exclusive and Inclusive definitions

Statutory definition

Gratuity will be ignored in computing taxable income of
Resident person
Non-resident person
Income tax officer
Deceased person

Achieving full employment level is one of the objectives of which of the following policy?
Monetary policy
Fiscal policy
Trade Policy
Economic Policy

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?
Rs. 480,000
Rs. 240,000
Rs. 40,000
Rs. 640,000

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?
Section 53
Section 101
Section 110
Section 111

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

Recognized provident fund is recognized by
Select correct option:
Income tax officer
Central board of revenue
Commissioner of income tax
High court

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

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

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

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

5% of cost (vehicle)

10% of cost (vehicle)

15% of cost (vehicle)

25% of cost (vehicle)

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

Section 110

Section 111

Section 113

Section 115

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

Concessional loan of Rs 1 million provided by employer @ of markup of 6% per annum (benchmark 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

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

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

The rate of income tax for Modarba Company is:

Select correct option:

20%

25%

30%

35%

Statutory provident fund is also known as:

Select correct option:

Recognized provident fund

Unrecognized provident fund

Government provident fund

None of the given options

Which one of the following specifies the rates of depreciation?

Part I of 3rd schedule

Part II of 3rd schedule

Part III of 3rd schedule

None of the given options

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

Select correct option:

Section 80

Section 81

Section 82

Section 83

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

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

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

0.5%

1%

0.25%

Nil

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%

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

Any entertainment expenditure

Any personal expenditure

Brokerage

Expenditure incurred by an amalgamated company

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

Section 21

Section 20

Section 120

Section 112

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

Permanent Establishment

Royalty

Dividend

Goodwill

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?

Salary Income

Income from Business

Capital gain

Other Income

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

Right to use any patent

Copy right of a literary

Right to use any industrial or scientific equipment

All of the given options

Profit earned on debts is chargeable under

Income from salary

Income from other sources

Income from business

Income from capital gains

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?

Convenience

Judicious

Capacity to Pay

Business friendly

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

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

Reduction in tax liability

Reduction in tax rate

Reduction in taxable Income

All of the given options

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

Zakat

Worker's Welfare Fund

Work's Participation Fund

All of the given options

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

Salary

Income from Property

Income from Business

Capital Gains

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

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

1st July 2001

13th September 2001

1st July 2002

13th September 2002

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

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

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

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

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

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

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

A/B x C

B/A x C

A/C x B

C/B x A

What is the residential status of Provincial Government of Pakistan?

Resident Individual

Resident Company

Resident AOP

Resident HUF

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

Chapters

Sections

Schedules

All of the given options

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

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?

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

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

Individual

Firm

Banking Company

Hindu Undivided Family

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

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

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

Wholly taxable

Partly Taxable

Deductible expenditure

None of the given options

Loss can be carried forward up to how many years?

3 years

4 years

5 years

6 years

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

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

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

Finance Act 2005

Finance Act 2006

Finance Act 2007

Finance Act 2008

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

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

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

Pension

Golden shake hand

Provident fund

All of the given options

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

Income from property

Income from other sources

Income from business

Income from capital gains

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

$(A + B) \times C$

$(A - B) \times C$

$(A / B) \times C$

$(A / B) + C$

In the normal circumstances on which of the following tax is charged?

Gross Receipt

Total Income

Taxable Income

Gross Income

Approval of Gratuity fund can be withdrawn on which of the following grounds?

On the expiry of time period

On the death of the employee

On the malfunctioning of the trust

On the death of trustee

In a tax _____ you give information about what you earn every year.

Return

Statement

Sheet

Report

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?

Wholly taxable

Wholly exempt

Partly taxable

Not mention in second schedule

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?

Exclusive definition

Inclusive definition

Both Exclusive and Inclusive definitions

Statutory definition

Taxes are important instrument of which of the following policy?

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Which of the following income is chargeable to tax?

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

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

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

It is mandatory for each Company to maintain its books of accounts on which of the following methods?

Cash basis

Accrual basis

Both cash and accrual basis

Free to choose any kind of base

Which one 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

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.?

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:

- 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?

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?

Section 81

Section 82

Section 83

Section 84

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

Section 81

Section 82

Section 83

Section 84

Which of the following methods of accounting is compulsory to adopt for Soleproprietorship?

Accrual Basis

Cash Basis

Both accrual and cash bases

Free to choose any kind of base

Which of the following is not included in business?

Select correct option:

Commerce

Manufacture

Profession

Employment

Tax year for the salaried individuals is called as:

Select correct option:

Special Tax Year

Normal Tax Year

Fiscal Year

Financial Year

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

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%

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

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%

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%

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%

MTS stands for which of the following?

Select correct option:

Minimum time scale

Minimum transfer Salary

Maximum time scale

Maximum transfer Salary

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

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?

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

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

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

What is the tax treatment of the leave encashment on the retirement of the employee?

Select correct option:

Wholly Taxable

Wholly exempt

Partly Taxable

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

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

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

Which of the following is the tax treatment of free hospitalization services provided under the terms of employment?

Wholly exempt

Wholly taxable

Exempt up to 10% of MTS

Taxable up to 10% of MTS

Gratuity received by a non-resident person is

Select correct option:

Wholly exempt

Wholly taxable

50% of amount receivable

50 % of B.S

Gratuity Approved by Central Board of Revenue is

Wholly exempt

Wholly taxable

Exempt up to Rs. 200,000

50% of amount receivable

Income of the recognized vocational institution is

Wholly taxable

Exempt

Exempt up to 50%

Partially taxable

Any Pakistan-source income which Pakistan is not permitted to tax under a tax treaty shall be _____.

Wholly Taxable

Wholly Exempt

Partly Exempt

Not mention in Ordinance

What is the tax treatment of income from the sale of Mudarba Certificates?

Select correct option:

Wholly taxable

Wholly exempt

Partially taxable

Partially exempt

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

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

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.

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.

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

Income of a Text-Book Board is

Select correct option:

Wholly taxable

Exempt

Exempt up to 50%

None of the given options

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

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

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

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

Tax year for the salaried individuals is called as Special Tax Year.

True

False

Payment of Zakat is entitled to a deductible allowance according to provisions of sec.60.

True

False

Bonuses are fully taxable under Income Tax Ordinance 2001.

Select correct option:

True

False

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

Gratuity is only granted in case of retirement.

Select correct option:

True

False

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

Officer of Income Tax may grant approval to any gratuity fund.

True

False

Gratuity will be ignored while computing taxable income and tax liability of a deceased person.

True

False

Any obligation of employee waived off by employer will not be added back to his taxable income.

Select correct option:

True

False

Government provident fund is

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

Unrecognized provident fund is

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

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

Pension is treated as

Select correct option:

Totally taxable

Partially taxable

Totally exempt

Partially exempt

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

Section (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;

- ▶ Exclusive definition
- ▶ **Inclusive definition page 8**
- ▶ Both Exclusive and Inclusive definitions
- ▶ Statutory definition

A definition also includes the dictionary meanings of the word are termed as which of the following?

- ▶ Exclusive definition
- ▶ **Inclusive definition page 8**
- ▶ Both Exclusive definition and Inclusive definitions
- ▶ Statutory definition

Which of the following is the legal status of the Punjab University under the provisions of section 80 of the ordinance?

- ▶ Individual
- ▶ **Company page 16**
- ▶ Banking Company
- ▶ Hindu Undivided Family

What is the relation between the Non-resident and permanent establishment as per section 105?

- ▶ Both have same legal entity
- ▶ **Both are separate legal entity page 31**
- ▶ Both are dependent on each other
- ▶ None of the given options

Certain incomes those are excluded from tax are called as:

- ▶ Perquisites
- ▶ **Exemptions page 17**
- ▶ Allowances
- ▶ Deductions

Sources of Income are classified into _____ heads of income.

- ▶ 3
- ▶ 4
- ▶ **5 page 17**
- ▶ 6

Income of Federal Government exempt from tax under which of the following section of IT Ordinance 2001?

- ▶ Section 41
- ▶ Section 43
- ▶ Section 47
- ▶ **Section 49** page 23

A firm ABC maintaining its account in cash basis, at June 27, 2008 it incurred expenses for Rs. 10,000 but actual payments made at 01 August 2008. It would be charge to tax into the tax year:

- ▶ 2006
- ▶ 2007
- ▶ 2008
- ▶ **2009**

Which of the following does Not come under the ambit of permanent establishment (PE)?

Branch office

Factory or workshop

Premises for soliciting orders

Liaison or relationship office

Ref:

a) A place of management, branch office, factory or workshop, premises for soliciting orders, warehouse, permanent sales exhibitions or sales outlet, other than a liaison office except where the office engages in the negotiation of contracts (other than contracts of purchase);

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?

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

Any income from a business carried on outside Pakistan through permanent establishment by a resident person 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

Reference: Business income of a resident person shall be Pakistan-source income to the extent to which the income is derived from any business carried on in Pakistan.

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?

- Convenience
- Judicious
- Capacity to Pay
- Business friendly**

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

- a) 1st July 2001
- b) 13th September 2001
- c) 1st July 2002 (5)**
- d) 13th September 2002

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

- a) Any representative of a person who derives an amount chargeable to tax
- b) Any person who is required to deduct or collect tax
- c) Any person required to furnish a return of income
- d) All of the given options**

What is the residential status of Provincial Government of Pakistan?

- a) Resident Individual
- b) Resident Company**
- c) Resident AOP
- d) Resident HUF

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?

- a) Added in total income (33)**
- b) Subtracted from the total income
- c) Added in income after tax
- d) Exempt from tax

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

a) Exclusive definition (8) b) Inclusive definition c) Both Inclusive definitions d) Statutory definition

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

a) Zakat b) Worker's Welfare Fund c) Work's Participation Fund **d) All of the given options (40)**

Which of the following is the Special Accounting Year of Companies exporting rice?

a) 1st January to 31st December (11) b) 1st July to 30th June c) 1st October to 30th September
d) 1st September to 31st August

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?

a) 2006 b) 2007 **c) 2008** d) 2009

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?

a) Mr. X being resident of Pakistan Rs. 20,000 will be added in Gross total income b) Mr. X being resident of Pakistan Rs. 20,000 will be Subtracted in Gross total income c) Mr. X being non-resident of Pakistan Rs. 20,000 will be added in Gross total income **d) None of the given options (33)**

What is the residential status of Federal Government of Pakistan?

a) Resident Person b) Resident Company c) Resident AOP d) Resident HUF

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

a) Reduction in tax liability b) Reduction in tax rate c) Reduction in taxable Income **d) All of the given options**

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

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

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

Select correct option:

Taxes

Deficit Financing

Subsidies

Transfer Payments

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?

2006

2007

2008

2009

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

Preamble

Non-Obstinate clause

Title of a chapter

Finance Minister's budget speech

It is mandatory for each Company to maintain its books of accounts on which of the following methods?

Cash basis

Accrual basis

Both cash and accrual basis

Free to choose any kind of base

Which of the following is a literal meaning of tax?

Burden

Endurance

Patience

Fortitude

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

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

Interpretation of Tax Laws is the prime responsibility of which of the following?

Parliament

Supreme Court

High Court

Superior Judiciaries

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

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

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

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

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

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

Economic Development

Price stability

Removal of deficit in Balance of Payments

All of the given options

Government Expenditure is one of the instruments of which of the following policy?

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Taxation management is a strategy where by a person manages its business in such a way so as to maximize the utilization of which of the following?

Tax holidays

Exemption, Rebates & Concession

Tax credits

All of the given options

Which of the following was the First law on Income Tax promulgated in Pakistan?

1 July, 1979

1 July, 1969

1 July, 1949

1 July, 2002

Superior judiciary includes which of the following authorities?

City Court

Supreme Court

High Court

Both supreme and High court

Section 2(15) of Income Tax Ordinance 2001 defined: “debt” means any amount owing, including accounts payable and the amounts owing under promissory notes, bills of exchange, debentures, securities, bonds or other financial instruments;

In which criteria the above definition falls?

Exclusive definition p-8

Inclusive definition

Both Exclusive and Inclusive definitions

Statutory definition

Section 2(6) of Income Tax Ordinance 2001 defined:

“association of persons” means an association of persons as defined in section 80.

In which criteria the above definition falls?

Exclusive definition p- 8

Inclusive definition

Both Exclusive and Inclusive definitions

Statutory definition

Under which of the following conditions a tax payer can adopt a special tax year?

Whenever he decides so

After seeking approval from Tax Office

After seeking approval from Commissioner of income tax p--11

After seeking approval from High Court

Which one of the following is the example of tax payer?

Salaried Person

LESCO

All of the given options

WAPDA

Which of the following is the legal status of the Virtual University under the provisions of section 80 of the ordinance?

Individual

Company

Banking Company

Hindu Undivided Family

Certain incomes those are excluded from tax are called as:

Perquisites

Exemptions p--17

Allowances

Deductions

Which of the following incomes are treated as agriculture income?

Spontaneous forests

Agro based industry

Interest received by a farmer on lending

Income from land in Pakistan used for agriculture

What is the tax treatment of the salary of an employee of foreign government but citizen of Pakistan?

Exempt form tax p--22

Wholly Taxable

Partly Taxable

No Tax treatment given in IT Ordinance 2001

Income of Federal Government exempt from tax under which of the following section of IT Ordinance 2001?

Section 41

Section 43

Section 47

Section 49 p--23

An Individual will be termed as Short Term Resident under section 50 of the IT Ordinance 2001 on which of the following condition?

His period of stay in Pakistan equal to 183 days

The employee of Foreign Government

The citizen of Pakistan

His period of stay in Pakistan not exceeding 3 years p---23

M/s ABC & Co. has been incorporated under Pakistan Companies Ordinance 1984.

However it's most of the branched and control and management of affairs wholly situated out of Pakistan? What will be the residential status of M/s ABC & Co.?

Resident Company

Non-Resident Company

Resident Individual

Resident AOP

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

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

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

Which of the following does **Not** come under the ambit of permanent establishment (PE)?

Branch office

Factory or workshop

Premises for soliciting orders

Liaison or relationship office p--9

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

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

Section 11

Section 12

Section 13

Section 14

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?

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

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

Mr. X employed in Pakistan received share of profit Rs. 60,000 in India from a business situated in Dubai but controlled through PE in Pakistan. Which of the following is right for the above scenario?

Mr. X being resident of Pakistan Rs. 60,000 will be added in Gross total income

Mr. X being resident of Pakistan Rs. 60,000 will be subtracted in Gross total income

Mr. X being non-resident of Pakistan Rs. 60,000 will be added in Gross total income

Mr. X being non-resident of Pakistan Rs. 60,000 will be subtracted in Gross total income

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

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?

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

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

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

Removal of deficit in Balance of Payments is one of the objectives of which of the following policy?

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

In the canons of taxation, which one of the following statements best describe the benefits principle?

Persons deriving more income leads to enjoy less benefits from the state, should be taxed at the lower rates.

Persons deriving more income lead to enjoy fewer benefits from the state should be taxed at the higher rates.

Persons deriving less income lead to enjoy more benefits from the state should be taxed at the lower rates.

All persons deriving more or less income should be taxed at the same rates.

Taxation management is a strategy where by a person manages its business in such a way so as to maximize the utilization of which of the following?

Tax holidays

Exemption, Rebates & Concession

Tax credits

All of the given options

Which of the following was the First law on Income Tax promulgated in Pakistan?

1st July, 1979

1st July, 1969

1st July, 1949

1st July, 2002

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

340 sections

440 sections

140 sections

240 sections

Superior judiciary includes which of the following authorities?

City Court

Supreme Court

High Court

Both supreme and High court

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

Economic

Fiscal p--15

Economy

Monetary

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

1st January to 31st December p--13

1st July to 30th June

1st October to 30th September

1st September to 31st August

Special Accounting year of the persons Which of the following is the carrying cotton ginning, rice husking and oil milling?

1st January to 31st December p--13

1st July to 30th June

1st October to 30th September

1st September to 31st August

Which one of the following is the example of tax payer?

Salaried Person

LESCO

All of the given options

WAPDA

Which of the following is the legal status of the Virtual University under the provisions of section 80 of the ordinance?

Individual

Company

Banking Company

Hindu Undivided Family

For the purpose of Taxation the total Income includes which of the following?

Income as per Section 11

Income from Capital gain

Only business income

Only Salary income

Which of the following section deals with the change of accounting method adopted by an entity?

Section 32(1)

Section 32(2)

Section 32(3)

Section 32(4)

What will be the tax treatment of any income chargeable under the head Salary earned by an individual outside Pakistan during that year?

Wholly Taxable

Wholly Exempt

Partly Exempt

Not mention in Ordinance

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

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

Rs. 500,000

Rs. 200,000

Rs. 300,000

Rs. 400,000

M/s ABC & Co. has been incorporated under Pakistan Companies Ordinance 1984.

However it's most of the branched and control and management of affairs wholly situated out of Pakistan? What will be the residential status of M/s ABC & Co.?

Resident Company

Non-Resident Company

Resident Individual

Resident AOP

Salary income received by resident person from Federal Government of Pakistan 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

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

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

Right to use any patent

Copy right of a literary

Right to use any industrial or scientific equipment

All of the given options

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

Wholly taxable

Partly Taxable

Deductible expenditure

None of the given options

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

Section 11

Section 12

Section 13

Section 14

The definition of Employment under Sec. 2(22) of the ordinance is categorized in:

Inclusive Definition

Exclusive Definition

Both Inclusive and Exclusive

None of the given options

Salary by members of AOP is not treated as Salary but treated as appropriation of profit and charged under the head:

Income from Salary

Income from Property

Income from Business

Income from Other Sources

Tax year for the salaried individuals is called as:

Special Tax Year

Normal Tax Year

Fiscal Year

Financial Year

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

1 January to 31 st December

1st July to 30th June

1st October to 30 th September

1st September to 31 st August

Mr. A non- resident of Pakistan received interest on Canadian Bonds Rs. 150,000 (entire amount received in Pakistan). What is the treatment of this amount for calculating his gross total income?

Rs. 150,000 added in his total income

Rs. 150,000 subtracted from his total income

Rs. 75,000 added in his total income

Exempt from tax

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**

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

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

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

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

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

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

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

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

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

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

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:

- ▶ Finance Ordinance 2004
- ▶ Finance Ordinance 2005
- ▶ **Finance Act 2006**
- ▶ Finance Act 2007

Which of the following is the tax treatment of free hospitalization services provided under the terms of employment?

- ▶ **Wholly exempt**
- ▶ Wholly taxable
- ▶ Taxable up to 10% of MTS

Condition for the approval of gratuity fund is based on which of the following?

- ▶ **Trust is irrevocable**
- ▶ Trust is revocable
- ▶ Trust is established by Government
- ▶ Trust is approved by Officer of Income

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

Law making has the which one of the following?

- ▶ **Supreme court**
- ▶ High court
- ▶ City court
- ▶ Provincial Government

Tax imposed by Federal Government?

- ▶ Progressive tax
- ▶ Proportional tax
- ▶ Direct Tax
- ▶ **Form of Sales Tax**

Legal Status of Punjab University?

- ▶ Individual
- ▶ **Company**
- ▶ Authority
- ▶ Organization

Fund for Promotion of Science and Technology in Pakistan

- ▶ **Exempt**
- ▶ Taxable
- ▶ Partially Taxable
- ▶ Partially Exempt

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

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

Mr.Kiani has received basic salary of Rs. 30,000 per month during the tax year 2009. He has received matured Defence Saving Certificates of Rs. 60,000 of which 7,000 were encashed. What will be his taxable income?

▶ Rs. 960,000

▶ **Rs. 4,13,000**

▶ Rs. 6,50,000

▶ Rs. 110,000

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

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

Under Clause (92) Income nit exempted which of the following ?

▶ Text Book Board

▶ **Listed Company**

▶ Computer Vocational Training Institute

▶ Sports Board

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=	<u>Rs. 36,000</u>
Income from profession=	3,04,000

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

Calculation: Income from poultry form = 645,000

Profit on shares(136000*75/100) = 102000

Less: Capital losses = 15000

= **732,000**

Which of the following is the rate of tax for salaried Individuals for tax year 2009, where the taxable income exceeds Rs. 10,50,000 but does not exceed Rs. 12,00,000?

▶ 9.00%

▶ **10.00%**

▶ 11.00%

▶ 12.50%

Which of the following is the rate of tax for salaried Individuals for tax year 2009, where the taxable income exceeds Rs. 6,50,000 but does not exceed Rs. 7,50,000 ?

▶ 2.00%

▶ **6.00 %**

▶ 11.00%

▶ 12.50%

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%

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).

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

_____ 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

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

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

Custom duty

Income tax

Sales tax

Wealth tax

Which part of Income Tax Ordinance 2001 deals with the Exemptions and Tax Concessions?

Part IV

Part V

Part VI

Part VII

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

Section 80

Section 81

Section 82

Section 83

Bonuses are fully taxable under Income Tax Ordinance 2001.

True

False

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

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

Section 40

Section 41

Section 45

Section 46

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

Right to use any patent

Copy right of a literary

Right to use any industrial or scientific equipment

All of the given options

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

Section 20

Section 21

Section 25

Section 27

Income of the recognized vocational institution is:

Wholly taxable

Exempt

Exempt up to 50%

Partially taxable

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

Economic Development

Price stability

Removal of deficit in Balance of Payment

All of the given options

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

Monetary policy

Fiscal policy

Trade Policy

Economic Policy

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

Income tax

Inheritance tax

Property tax

Sales tax

Which of the following is the tax treatment of free hospitalization services provided under the terms of employment?

Wholly exempt

Wholly taxable

Exempt up to 10% of MTS

Taxable up to 10% of MTS

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

Which of the following is not an employment tax?

▶ Social Security Tax

▶ **Federal Excise Tax**

▶ Federal unemployment compensation tax

▶ State unemployment compensation tax

Ref: Excise taxes, also known as manufacturer's excise taxes, are fees imposed by all levels of government on producers, manufacturers and importers of goods and activities.

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

▶ 340 sections

▶ 440 sections

▶ 140 sections

▶ **240 sections**

Ref: Basic Features of Income Tax Ordinance 2001: Parts & divisions $\frac{3}{4}$ There are 240 Sections

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

▶ Three Schedule

▶ Fifth Schedule

▶ **Seven Schedules**

▶ Nine Schedules

Ref: Basic Features of Income Tax Ordinance 2001: This ordinance comprises of seven Schedules

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

Ref: Exclusive or Exhaustive Definition: • It excludes ordinary dictionary meanings of the word. Exclusive definitions start with the expression 'mean' or 'means'.

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: All persons exporting rice and carrying insurance business 1st January to 31st December.

Certain incomes those are excluded from tax are called as:

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

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?

- ▶ **Taxable as Non-Agriculture Income**
- ▶ Exempt as Agriculture Income
- ▶ Allowed Reduction in tax rate
- ▶ Allowed reduction in tax liability

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

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

Ref: Foreign Currency Accounts [Clause (80), Part I of the Second Schedule]“Any income derived from a private foreign currency account held with an authorized bank in Pakistan, [or certificates of investment issued by Investment Banks,] in accordance with the Foreign Currency Accounts Scheme introduced by the State Bank of Pakistan, by a resident individual who is a citizen of Pakistan. Provided that the exemption under this clause shall not be available in respect of any incremental deposits made in the said accounts on the after the **16th day of December, 1999**, or in respect of any accounts opened under the said scheme on or after the said date.”

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.

▶ **2.5%**

▶ 5.5%

▶ 7.5%

▶ 9.5%

Ref: Reduction in Tax Liability under Second Schedule Part 3 • Any amount received as flying allowance by pilots etc. and junior commissioned officers or other ranks shall be taxed @2.5% as separate block.

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**

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

Ref: Rental income shall be Pakistan-source income if it is derived from the lease of immovable property in Pakistan whether improved or not, or from any other interest in or over immovable property, including a right to explore for, or exploit, natural resources in Pakistan.

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

Ref: A pension or annuity shall be Pakistan-source income if it is paid by a resident or borne by a permanent establishment in Pakistan of a non-resident person.

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

- ▶ Wholly taxable
- ▶ Partly Taxable
- ▶ **Deductible expenditure**
- ▶ None of the given options

Ref: Foreign losses Sec.104: Deductible expenditures incurred by a person in deriving foreign source income chargeable to tax under a head of income shall be deductible only against that income.

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

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

- ▶ **10%**
- ▶ 12%
- ▶ 5%
- ▶ 20%

Ref: It means any expenditure incurred before the commencement of the business wholly and exclusively to derive income chargeable to tax, including the cost of feasibility studies, trial production activities but shall not include any expenditure which is incurred in acquiring land, or which is depreciated or amortized under section 22 (depreciation) or section 24 (intangibles)

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

Ref: Depreciation (Sec.22) Third Schedule Part 1

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

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**

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**

Ref: Salary certificate from employer sufficient in lieu of return Other Exceptions: Sec-115

- Widow
- Orphan below age of 25 years
- Disabled person or
- In case of ownership of immovable property, a non-resident person

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**

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

- ▶ Income Tax Department
- ▶ Provincial Government
- ▶ **Federal Government**
- ▶ Judicial Commission

Ref: Appointment of the Appellate Tribunal (Sec. 130)

• Appellate tribunal shall consist of a chair person, judicial members and accountant members as are appointed by the Federal Government.

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

- ▶ **Supreme Court**
- ▶ High court
- ▶ City court
- ▶ Provincial Government

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

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

Ref: output tax" in relation to any registered person means the tax charged under this 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) on such excisable goods or services as are notified by the Federal Government under the third proviso to sub-section (1) thereof and on which such duties are charged, levied and paid as if it were a tax payable under section 3 of this Act;

In Sales Tax Act "Zero - rated supply" means a taxable supply which is

▶ **Section 4**

- ▶ Section 5
- ▶ Section 6
- ▶ Section 22

Capital value tax is levied on which of the following?

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

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

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

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

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

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

- ▶ $(A+B) \times C$
- ▶ $(A-B) \times C$
- ▶ **$(A/B) \times C$**
- ▶ $(A/B) + C$

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

HEADS OF INCOME (Section 11)

- Salary (Section 12)
- Income from Property (Section 15)
- Income from Business (Section 18)
- Capital Gains (Section 37)
- Income from other Sources (Section 39)

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

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**

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

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

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

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

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

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

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

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

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

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**

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

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

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

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**

_____ 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

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

Reference: Golden handshake amount can be taxed @average rate of tax of last 3 years

Which of the following methods of accounting is compulsory to adopt for Firm?

Accrual Basis

Cash Basis

Both Accrual and Cash Basis

Free to choose any kind of base

Reference: Adoption rule of accounting methods are as under:

For Companies –Accrual basis mandatory.

For Others --- optional, cash or Accrual Basis

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: Profit on sale of standing crops or the produce after harvest by a cultivating owner or tenant of land will be treated as agricultural income. Whereas:

Profit accruing from the purchase of standing crops and resale of it after harvest by a merchant having no interest in land except a mere license to enter upon the land and gather upon the produce, land is not direct, immediate or effective source of income will be treated as non agriculture income.

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: Income from sale of agricultural produce received by way of price for water supplied to land will be treated as non agricultural income.

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: According to section 82 of income tax ordinance, resident individual is an employee or official of the Federal Government or a Provincial Government posted abroad in the tax year?

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: Exemptions on Business income Under Part 1 of second schedule

Clause Exempt Income

(91) Income of a Text-Book Board.

(92) University or Educational Institution established not for profit purpose.

(93) Recognized Computer Training Institution.

(93A) Recognized Vocational Institute.

(98) Income of Recognized Sports Board.

(100) Income of Modaraba Companies.

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Best of Luck