



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Sixth Semester – Spring 2023

Roll No.

Paper: Taxation Management (Basic)

Course Code: BBA-307

Time: 3 Hrs. Marks: 60

THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. State with reasons whether the following are capital or revenue: (15x2=30)

- i. Advertising charges normally incurred.
- ii. Cost of affixing a signboard at the business place.
- iii. Pension paid to employee
- iv. Interest on loan for business.
- v. Expenses on overhauling the old machinery.
- vi. Amount paid as compensation for securing cancellation of a contract.
- vii. Salary received by an employee engaged in construction of a building.
- viii. Gratuity received by an employee on his retirement from service.
- ix. Premium on issue of shares.
- x. Amount received on sale of Defence Saving Certificates purchased to save income tax.
- xi. Cost of freehold land and building and the legal charges incurred for purchasing them.
- xii. Legal expenses incurred in drafting a partnership deed.
- xiii. Royalty received from transfer of copyrights.
- xiv. Damage awarded to a railway passenger who became permanently disabled in an accident.
- xv. Profit on sale of a house by a property dealer.

Q.2. Answer the following questions. (3x10=30)

1. What are the conditions laid down under the Income Tax Ordinance regarding depreciation allowance?
2. What are the legal provisions governing the residential status of individual?
3. List down the income from property not taxable under Section 15.