

Business Taxation

B.Com (Annual) Part-I Paper-V Maximum Marks: 100 (Pass Marks: 40) Duration of Examination: 3 hrs

Course Objectives:

1. To familiarize the students with the Income and Sales Tax Laws in Pakistan.
2. To introduce to students the important elements and aspects of tax system and authorities and their limits.
3. To equip the students with necessary skills to deal with the situations concerning the field of taxation.

Course Contents:

Topic	Source
<ul style="list-style-type: none">• Introduction and scope of Income Tax Law in Pakistan.	Book1+Ch.1
<ul style="list-style-type: none">• Definitions and Terminologies, history of taxation	Book1+Ch.II
<ul style="list-style-type: none">• Exclusions from total income• Reduction in tax liability• Exemption from specific provisions of income tax ordinance 2001.	Book1+Ch.III
<ul style="list-style-type: none">• Distinction between capital and revenue items of expenditures.• Tests for differentiation of capital and revenue receipts.• Tests for differentiating capital and revenue expenditures.• Capital loss.	Book1+Ch.VI
<ul style="list-style-type: none">• Income from Salary, Scope of salary income.• Allowances and relieves under the Ordinance.• Types of provident fund, treatment of provident fund, the sixth schedule, employer's contribution of approved gratuity fund deduction from income, gratuity fund deduction from income, gratuity fund and schemes.• Computation of income tax payable from salaried persons.	Book1+Ch.IV
<ul style="list-style-type: none">• Income from business and profession Terms used.• Considerations governing taxation of business profits.	

<ul style="list-style-type: none"> • Maintenance of accounts on mercantile or cash basis. • Income chargeability under income tax law on income from business. • Principles of computation of taxable profits, allowable deductions. • Deduction for computing business income, significant changes introduced by the ordinance. • Admissible and Non-admissible expense. • Bad-debts. 	Book1+Ch.VII
<ul style="list-style-type: none"> • Income from property • Different concepts of property income, procedure for computing amount of rent • Adjustable and un adjustable advance • Income from property not taxable u/s 15 • Property income exempt from tax • Taxation of property income 	Book1+Ch.V
<ul style="list-style-type: none"> • Set-off and carry forward of losses. • Types of Losses. • Rules for set-off and carry forward. 	Book1+Ch.VIII
<ul style="list-style-type: none"> • Penalties, offenses, appeals and prosecutions. 	Book1+Ch.XIV
<ul style="list-style-type: none"> • Income tax authorities their appointments , powers and functions 	Book1+Ch.XV
<ul style="list-style-type: none"> • Income from other sources. • Deduction for computing income from other sources. • Capital gains. • Exchange gain/losses, income deemed to accrue or arise. 	Book1+Ch.X
<ul style="list-style-type: none"> • Tax accountings and assessment cycle, procedure filling of return. • Power to grant extension of time for filling the return, assessment procedure, provisional assessment, notes for production of books of accounts, evidence, etc. • Assessment on the basis of return, wealth statement, simplification of assessment of procedure, payment of tax before assessment, 	Book1+Ch.XI

<ul style="list-style-type: none"> changes in tax withholding and collection of tax. • Withholding tax rates under section 50(6) collection of tax on demand, recovery of tax. • Recovery of arrears/ refunds 	
<ul style="list-style-type: none"> • E. Filing-introduction and basic concepts 	e.fbr.gov.pk
<ul style="list-style-type: none"> • Assessment of individual salaried and non-salaried person. 	Book1+Ch.XI
<ul style="list-style-type: none"> • Self-assessment scheme and investment tax scheme 2008 	Book1+Ch.XII
<ul style="list-style-type: none"> • Appeals 	Book1+Ch.XVI
<ul style="list-style-type: none"> • Practical Problems of salaried and non-salaried persons. 	Book1+Ch.XVIII
<ul style="list-style-type: none"> • Introduction and scope of sales tax. 	Book2+Ch.I
<ul style="list-style-type: none"> • Definitions and terminologies. 	Book2+Ch.I
<ul style="list-style-type: none"> • Sales tax authorities. 	Book2+Ch.VI
<ul style="list-style-type: none"> • Registration in Sale Tax. 	Book2+Ch.III
<ul style="list-style-type: none"> • Book Keeping and invoicing requirements. 	Book2+Ch.IV
<ul style="list-style-type: none"> • Furnishing of Return of Sales Tax. 	Book2+Ch.V
<ul style="list-style-type: none"> • Appeals. 	Book2+Ch.VIII
<ul style="list-style-type: none"> • Practical Problems. 	Book2+Ch.XI

Recommended Text: (Latest Editions)

1. Mughal, Muhammad Muazzam, latest editions, Income Tax-Principles and Practice, Syed Mobin & Co.Lahore.
2. Mughal, Muhammad Muazaam, Sales Tax, Syed Mobin & Co. Lahore.
3. e.fbr.gov.pk

Further Reading:

1. Munawer Hussain, Mirza, latest edition, Synopsis of taxes in Pakistan, Iqbal brothers publishers, Lahore.