

FIN623-TAXATION MANAGEMENT
Spring Semester 2009
Marks: 20

NOTE: READ AND STRICTLY FOLLOW ALL THESE INSTRUCTIONS BEFORE ATTEMPTING THE QUIZ.

INSTRUCTIONS

- This quiz covers Lesson # 11- 18.
- Do not use red color in your quiz. It is used only for marking purpose.
- Last date for submission of quiz is **08-04-2009**. It means you can submit your quiz till **09-04-2009, 12'O clock mid night**.
- Upload your quiz with in due date and time. No quiz will be accepted after due date and time via email.
- Write down only one option in the answer sheet which you think is correct. More than one answer will be marked zero.
- Submit your quiz in the word document not as a PDF file.
- Please submit your solution files (a word document) as given below

ANSWER SHEET TO SOLVE THE QUIZ

- Copy the following sheet and solve your quiz by providing answer in the given column.
- In the “*Selected Option*” column, write down only the option number (e-g a, b, c, d) against each question number which you consider is the correct one.
- Upload only the answer sheet on VULMS. Don’t upload the whole quiz.

Student ID/Login ID: _____

Student Name: _____

Question Number	Selected Option
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QUIZ # 2

- 1. If a cultivator used its agricultural produce as raw material in its business what will be the tax treatment of such agriculture produce?**
 - a) Market price of such produce will be deducted as business expenditure
 - b) The expenses of cultivation will be deducted as expense from business
 - c) The land revenue rent paid will be deducted as expense from business
 - d) All of the given options

- 2. Which of the following is similar to the concept of clubbing of Incomes?**
 - a) Unification only two heads of Income
 - b) Association of two or more heads of Income
 - c) Splitting up of only two heads of Income
 - d) Division of two or more than two heads of Income

- 3. The process of clubbing of income results in which of the following?**
 - a) Lower Bracket rate of tax is charged
 - b) Higher Bracket rate of tax is charged
 - c) Moderate Bracket rate of tax is charged
 - d) No change occur due to clubbing

- 4. What is the tax treatment of the salary of an employee of foreign government but citizen of Pakistan?**
 - a) Exempt form tax
 - b) Wholly Taxable
 - c) Partly Taxable
 - d) No Tax treatment given in IT Ordinance 2001

- 5. Any Pakistan-source income which Pakistan is not permitted to tax under a tax treaty shall be _____.**
 - a) Wholly Taxable
 - b) Wholly Exempt
 - c) Partly Exempt
 - d) Not mention in Ordinance

- 6. An Individual will be termed as Short Term Resident under section 50 of the IT Ordinance 2001 on which of the following condition meet?**
- 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
- 7. 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, how it will be treated under sec (49) IT Ordinance 2001?**
- Wholly taxable
 - Wholly exempt
 - Partially exempt
 - Section is silent about it
- 8. 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
- 9. 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. 500,000
- 10. 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
- 11. M/s ABC & Co. has been incorporated under Pakistan Companies Ordinance 1984. However its most of the branched 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

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

- a) Resident Individual
- b) Non- Resident Individual
- c) Resident HUF
- d) Resident AOP

13. What is the residential status of Provincial Government of Pakistan?

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

14. What is the residential status of Federal Government of Pakistan?

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

15. For a resident AOP which of the following condition must be satisfied?

- a) Control and management of affairs of AOP is situated partly in Pakistan
- b) Control and management of affairs of AOP is situated wholly in Pakistan
- c) Control and management of affairs of AOP is situated wholly or partly in Pakistan
- d) None of the given options

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

- a) A public holiday
- b) A day of sick leave
- c) Any strike day
- d) All of the given options

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

- a) Pakistani source of income
- b) Foreign source of income
- c) Both Pakistan and foreign source of income
- d) None of the given option

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

- a) The lease of immovable Property in Pakistan
- b) The lease of immovable Property outside Pakistan
- c) The lease of immovable Property both in and out of Pakistan
- d) None of the given options

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

- a) Pakistan- source income
- b) Foreign source of income
- c) Both Pakistan and foreign source of income
- d) None of the given option

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

- a) Wholly taxable
- b) Partly Taxable
- c) Deductible expenditure
- d) None of the given options

BEST OF LUCK