



Time Allowed: 03 Hours

Maximum Marks: 100

Roll No.:

INSTRUCTIONS TO THE EXAMINEES:

- (i) Attempt all sections of the question paper.
- (ii) Write your Roll No. in the space provided above.
- (iii) Answers must be ticked/ submitted in online CBE Application, for Section-A – Multiple Choice Questions (MCQs), and typed in provided solution file(s) available on desktop of allocated PC, for Section-B – Short Cases and Section-C – Practical/ Theory, and should be relevant and brief. It is not necessary to maintain the sequence.
- (iv) Use of non-programmable scientific calculators is allowed.
- (v) Read the instructions printed on the Top Cover Sheet CAREFULLY before attempting the paper.
- (vi) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, effective presentation, language and use of diagram/ chart, where appropriate.
- (vii) DO NOT write your Name, Reg. No. or Roll No., or any irrelevant information inside the answers/ solutions.
- (viii) Question No. 1 – “Section-A – MCQs” available separately through CBE Application, is an integral part of this question paper.
- (ix) Question Paper, along with Working Sheet(s), must be attached with the provided Top Cover Sheet before leaving the examination hall.

SECTION-A – MULTIPLE CHOICE QUESTIONS (MCQs)

[Hint: Examinees are supposed to attempt the given MCQs, using online CBE Application through Exam Supervisor’s Password and submit the answers before quitting exam session.]

Question No. 1

Suggested Time : 40 Min. | Total Marks : 20

Multiple Choice Questions [MCQs]

Attempt all MCQs, choosing most appropriate answers as appear on computer screen [illustrated below for understanding]:

1. First Schedule of the Income Tax Ordinance, 2001 contains the rates of _____.
 - property tax
 - income tax
 - capital value
 - depreciation
2. Which one of the following is not a company as defined in the Income Tax Ordinance, 2001?
 - A welfare trust
 - Government of Sindh
 - Sindh Muslim Co-operative Society
 - Each of the above is a company
3. An applicant shall make an application either through e-service or in physical form for incorporation of company as per _____ (Application for Company Incorporation) along with the certain documents.
 - Annexure-VI
 - Annexure-VII
 - Annexure-IV
 - Annexure-V

4. In the light of section 27 of the Income Tax Ordinance, 2001, a person shall be allowed a deduction for any expenditure _____ incurred in a tax year in respect of any educational institution or hospital in Pakistan established for the benefit of the person's _____.
- including capital expenditure; employees and their consultants
 - including revenue expenditure; employees and their dependents
 - other than capital expenditure; employees and their dependents
 - other than revenue expenditure; employees and their consultants

5. In the light of section 128 of the Income Tax Ordinance, 2001, the _____ shall give notice of the day fixed for the hearing of the appeal to the _____ and to the Commissioner against whose order of the appeal has been made.
- Chief Commissioner; appellant
 - Commissioner (Appeals); appellant
 - Commissioner (Appeals); special audit panel
 - Chief Commissioner; special audit panel

6. In the light of section 33 of the Sales Tax Act, 1990, any person who obstructs the authorized officer in the performance of his official duties is liable for penalty of _____.
- Rs. 25,000
 - Rs. 40,000
 - 100% of the amount of tax involved
 - higher of Rs.25,000 or 100% of the amount of tax involved

7. Following data relates to Ghani Limited for the month of January 2021:

	Rupees
Sales:	
Sales to registered persons	150,000
Sales to un-registered persons	20,000
Local supply under international tender	30,000
Sales to registered person of items exempt under Sixth Schedule	10,000
Advance received from customers during the period not yet adjusted	20,000
Sales to employees of own manufactured goods	10,000
Sales to associated company located in Export Processing Zone	80,000

_____ is the amount of output tax of Ghani Limited for the month of January 2021. (Ignore further tax).

- Rs. 25,500
- Rs. 39,100
- Rs. 34,000
- Rs. 54,400

8. Following data relates to Naila Limited for the tax year 2021:

	Rupees
Sales revenue	70,000,000
Exempt sales included in total sales	15,000,000
Total accounting expenditure	55,000,000
Total tax adjusted expenditures	57,800,000
Advance tax paid	420,000

The taxable income of Naila Limited for the tax year 2021 is _____.

- Rs. 48,000,000
- Rs. 9,585,714
- Rs. 55,000,000
- Rs. 12,000,000

9. Mr. Duraid has disclosed the following information regarding his income for the tax year 2021:

	Rupees
Taxable salary	2,800,000
Taxable capital gain on disposal of private companies' shares	300,000
Share of profit from association of persons (AOP)	320,000
Zakat deducted at source by bank	17,000

The taxable income of Mr. Duraid that would be used to determine tax rate for calculating tax liability for the tax year 2021 will be _____.

- Rs. 3,100,000
- Rs. 3,083,000
- Rs. 3,403,000
- Rs. 3,117,000

10. Under section 10 of the Companies Act, 2017, if the name applied for a company is refused by the _____, the aggrieved person may within _____ days of the order of refusal, prefer an appeal to the Commission.

- Registrar; sixty.
- Registrar; thirty.
- Court; sixty.
- Court; thirty.

11. In which of the following situations, the Commission may not revoke a license granted to a company under section 42 of the Companies Act, 2017?

- The company or its management has failed to comply with any of the terms or conditions subject to which a license is granted.
- Affairs of the company are conducted in a manner prejudicial to public interest.
- The company has made a default in filing with the Registrar its financial statements or annual returns for immediately preceding four consecutive financial years.
- The company has acted against the interest, sovereignty and integrity of Pakistan, the security of the state and friendly relations with foreign states.

12. In which of the following ways, a Human Resource (HR) Department may obtain application(s) for employment(s)?
- Press advertisements
 - Employment exchange
 - Management Consultants
 - All of these are the ways of obtaining application(s) for employment(s).
-
13. Tendering process is normally completed in three stages. Identify the best option from the following which does not represent the stage of tendering process?
- Invitations/ announcement by procurement agency
 - Submission of bids by potential suppliers
 - Interview of potential suppliers
 - Award of procurement contracts
-
14. The employer will become liable for registration within _____ period whenever the scheme of Social Security is applicable.
- one month
 - six month
 - one year
 - two years
-
15. In accordance with section 19 of the Companies Act, 2017, related to commencement of business, a _____ shall not start its operations or exercise any borrowing powers unless completion of the conditions as prescribed.
- private company
 - company converted from private to a public
 - public company
 - company limited by guarantee and not having share capital

SECTION-B – SHORT CASES

[Hint: Examinees are supposed to attempt the given cases, using MS Word and/ or Excel Template(s) through the given Password <*****> and attach the printouts of solutions with provided Top Cover Sheet, duly signed by the Invigilator, before leaving the exam lab.]

Question No. 2

Suggested Time : 20 Min. | Total Marks : 10

Jupiter (Private) Limited is a registered firm under the Sales Tax Act, 1990. The details of transactions for the month of January 2021 are as follows:

	Rupees
Sales to un-registered persons	4,000,000
Purchases from un-registered persons	3,000,000
Imports	4,500,000
Supplies to diplomats	3,000,000
Sales tax on goods sold in December returned	100,000
Sales to registered persons	10,000,000
Purchases from registered persons	9,000,000
Exempt supplies	2,000,000
Advance payment received for the taxable supplies to be made in March 2021	700,000
Electricity bill including sales tax	400,000
Payment to registered person from personal bank account	500,000
Input tax credit brought forward from previous month	235,000

Required:

Fill up the above data in provided FBR's Sales Tax Return MS Excel Template and determine the sales tax liability of Jupiter (Private) Limited for the month of January 2021.

Question No. 3**Suggested Time : 15 Min. | Total Marks : 10**

Mehran (Private) Limited has recently been incorporated. Mr. Kashif, the Chief Executive Officer (CEO) of the company, attended a seminar which was organized for new entrepreneurs regarding awareness of 'social security' and 'employees old age benefits'. Mr. Kashif found the seminar well-organized and motivational, so, he decided to register his company with both the institutions [i.e. Social Security Institution and Employees Old Age Benefits Institution (EOBI)] to discharge the related legal obligations.

Required:

Being the Corporate Consultant of the company, you are required to explain Mr. Kashif regarding the following matters:

- (a) Criteria for registration with Social Security Institution and EOBI
- (b) Method for calculation of contribution to Social Security Institution and EOBI to ascertain the related financial cost

SECTION-C – PRACTICAL/ THEORY

[Hint: Examinees are supposed to attempt the given cases, using MS Word and/ or Excel Template(s) through the given Password <*****> and attach the printouts of solutions with provided Top Cover Sheet, duly signed by the Invigilator, before leaving the exam lab.]

Question No. 4**Suggested Time: 55 Min. | Total Marks : 30**

Areeb Limited (AL) has remained proficient in facilitating its client in the construction of residential and commercial buildings over many years with high level of commitment, service and innovative approaches. Following are the details of properties owned and rented out by AL during the tax year ending June 30, 2021:

	Rupees
Rent received for the year:	
– Factory Building	4,200,000
– Parking lot	600,000
– Sublet a portion of sales office	600,000
– Lease of building together with plant and machinery	500,000
Un-adjustable amount received in respect of factory building	2,400,000
Forfeited deposit under a contract for sale of building	200,000
Recovery of unpaid irrecoverable rent previously allowed as deduction	250,000
Unpaid liabilities exceeding three years	150,000
Profit on debt	1,000,000
Other receipts	500,000

- AL incurred following expenditures during the tax year 2021:

	Rupees
Insurance premium	100,000
Property tax	50,000
Ground rent	25,000
Profit on capital borrowed for investment in property	275,000
Legal service charges in respect of office	40,000
Amount claimed as irrecoverable rent	400,000
Payment of liabilities treated as income	200,000

- Rent collection expenditure incurred as follows:

	Percentage (%) of Rent Received
Factory building	2
Parking lot	2
Sublet a portion of sales office	5

- Following are the relevant details of business income of Areeb Limited (AL) for the tax year ending June 30, 2021:

	Rupees
Turnover for the year	100,000,000
Accounting income	8,489,551
Inadmissible deductions	26,820,000
Admissible deductions including unabsorbed amortization and depreciation for previous years	31,563,140
Carried forward business losses:	
– 2015	895,690
– 2016	1,238,650
Share of income from AOP	3,000,000

- Tax at source has been deducted from profit on debt at the rate of 15%.
- Following are the details of deductible allowances:

	Rupees
Workers' Welfare Fund	175,000
Workers' Profit Participation Fund	250,000
Donations made under clause 61 of part I of Second Schedule	1,000,000

- The company is entitled for the following tax credits:

	Rupees
Charitable donations under section 61	538,418
Tax credit for employing fresh graduates under section 64C	145,000

- Advance tax deducted amounted to Rs.2,000,000 under section 147 of the Income Tax Ordinance, 2001.

Required:

Fill up the above data in provided IRIS MS Excel Template and determine the tax liability of Areeb Limited (AL) for the tax year ending June 30, 2021.

Question No. 5

Suggested Time : 50 Min. | Total Marks : 30

- (a) Mr. Nazir Khan is a General Manager Procurement in Crown Limited (a Government owned company) and he intends to procure 50,000 cement bags from the original manufacturer/ authorized distributor. Registered address of the company (14th Floor, Classic Building, Karachi) is used for collection of bidding documents and its submission.

Following information has been provided regarding invitation to bid:

- Price of the bidding documents is Rs. 1,000.
- Bid will be opened after 30 minutes on the last date of bids i.e. December 15, 2020 till 11:00 am.

- Other contact details of the company are as follows:

Website: www.crown.com.pk | Email: gmp@crown.com.pk

Tel: 021-31234567 | Fax: 021-31234568

Required:

You are required to draft an Invitation to Bid as described under regulation 2 of the Public Procurement (Specimens for advertisement) Regulations, 2015.

- (b) Explain the different types of 'forms' as specified under the Companies (General Provisions and Forms) Regulations, 2018, required to be filed with Securities and Exchange Commission of Pakistan (SECP) for company's annual returns according to the status/ type of company under the Companies Act, 2017.
- (c) A management development review is the occasion on which a manager reviews progress and plans, concerning the effectiveness of his department and key members thereof, with higher level management. Explain why management development reviews are intended?

THE END