Fundamentals Level – Skills Module

Taxation (Pakistan)

Tuesday 2 June 2015

Time allowed
Reading and planning: 15 minutes
Writing: 3 hours

This paper is divided into two sections:

Section A – ALL 15 questions are compulsory and MUST be attempted

Section B – ALL SIX questions are compulsory and MUST be attempted

Tax rates and allowances are on pages 2–4.

Do NOT open this paper until instructed by the supervisor.

During reading and planning time only the question paper may be annotated. You must NOT write in your answer booklet until instructed by the supervisor.

Do NOT record any of your answers on the exam paper.

This question paper must not be removed from the examination hall.

The Association of Chartered Certified Accountants

Paper F6 (PKN)

ACCA

SUPPLEMENTARY INSTRUCTIONS

1. Calculations and workings need only be made to the nearest rupee.
2. All apportionments should be made to the nearest month except where the exact number of days is given in the question.
3. All workings should be shown when answering Section B.

TAX RATES AND ALLOWANCES

The following tax rates and allowances for the tax year 2015 are to be used in answering the questions.

A. Tax rates for salaried individuals – where salary income exceeds 50% of taxable income

Taxable income	Rate of tax on taxable income
0 to Rs. 400,000	0%
Rs. 400,001 to Rs. 750,000	5% of the amount exceeding Rs. 400,000
Rs. 750,001 to Rs. 1,400,000	Rs. 17,500 plus 10% of the amount exceeding Rs. 750,000
Rs. 1,400,001 to Rs. 1,500,000	Rs. 82,500 plus 12·5% of the amount exceeding Rs. 1,400,000
Rs. 1,500,001 to Rs. 1,800,000	Rs. 95,000 plus 15% of the amount exceeding Rs. 1,500,000
Rs. 1,800,001 to Rs. 2,500,000	Rs. 140,000 plus 17·5% of the amount exceeding Rs. 1,800,000
Rs. 2,500,001 to Rs. 3,000,000	Rs. 262,500 plus 20% of the amount exceeding Rs. 2,500,000
Rs. 3,000,001 to Rs. 3,500,000	Rs. 362,500 plus 22·5% of the amount exceeding Rs. 3,000,000
Rs. 3,500,001 to Rs. 4,000,000	Rs. 475,000 plus 25% of the amount exceeding Rs. 3,500,000
Rs. 4,000,001 to Rs. 7,000,000	Rs. 600,000 plus 27·5% of the amount exceeding Rs. 4,000,000
Rs. 7,000,001 and above	Rs. 1,425,000 plus 30% of the amount exceeding Rs. 7,000,000

B. Tax rates for associations of persons and non-salaried individuals to whom the rates given in A are not applicable

Taxable income	Rate of tax on taxable income
0 to Rs. 400,000	0%
Rs. 400,001 to Rs. 750,000	10% of the amount exceeding Rs. 400,000
Rs. 750,001 to Rs. 1,500,000	Rs. 35,000 plus 15% of the amount exceeding Rs. 750,000
Rs. 1,500,001 – Rs. 2,500,000	Rs. 147,500 plus 20% of the amount exceeding Rs. 1,500,000
Rs. 2,500,001 – Rs. 4,000,000	Rs. 347,500 plus 25% of the amount exceeding Rs. 2,500,000
Rs. 4,000,001 – Rs. 6,000,000	Rs. 722,500 plus 30% of the amount exceeding Rs. 4,000,000
Rs. 6,000,001 and above	Rs. 1,322,500 plus 35% of the amount exceeding Rs. 6,000,000

C. Corporate tax rate for companies

Small company	25% of taxable income
Public company/private company	33% of taxable income
Tax rate for foreign direct investment in industrial undertakings by companies	20% of taxable income

D. Alternative corporate tax rate

For all companies	17% of accounting income

E. Tax rates on capital gains on the disposal of securities (other than debt securities held by a company)

Where the holding period of a security is

– up to one year	12·5%
– more than one year but not more than two years	10%
– more than two years	0%

F. Tax rates on capital gains on the disposal of immovable properties

Where the holding period of immovable property is	
– up to one year	10%
– more than one year but not more than two years	5%
– more than two years	0%

G. Other tax rates

General rate on dividends received from a company by	
– a filer	10%
– a non-filer	15%

H. Rates of deduction/collection of tax at source

Sale of goods (general rate)	
– where the payment is being made to a company	4%
– where the payment is being made to a taxpayer other than a company	4·5%
Sale of immovable property by	
– a filer	0·5%
– a non-filer	1%
Purchase of immovable property having value of more than Rs. 3,000,000 by	
– a filer	1%
– a non-filer	2%
Services (other than transport)	
– where the payment is being made to a company	8%
– where the payment is being made to a taxpayer other than a company	10%
Contracts other than a contract by a sports person	
– where the payment is being made to a company	7%
– where the payment is being made to a taxpayer other than a company	7·5%
Contract by a sports person	10%
Commission or brokerage received by	
– advertising agents	7·5%
– other than advertising agents	12%
Profit on debt received by	
– a filer	10%
– a non-filer where the amount of profit does not exceed Rs. 500,000	10%
– a non-filer where the amount of profit exceeds Rs. 500,000	15%
Import of goods (general rate)	
– in the case of industrial undertakings	5·5%
– in all other cases of companies	5·5%
– in the case of other taxpayers	6%
On domestic electricity bills of Rs. 100,000 or more per month	7·5% of the bill
On international air-ticket of non-economy class	4%
On the fee received by a director of a company for attending a meeting etc	20%

I. Depreciation rates

Buildings (all types)	10%	of the tax written down value
Furniture and fittings	15%	
Plant and machinery (not otherwise specified)	15%	
Motor vehicles (all types)	15%	
Computer hardware	30%	

J. Initial allowance on eligible assets being

– a building	15%	of cost
– plant and machinery	25%	

K. Pre-commencement expenditure

Amortisation rate for pre-commencement expenditure 20%

L. Benchmark rate

Interest free loans to employees 10% per annum

Section A – ALL 15 questions are compulsory and MUST be attempted

Please use the grid provided on page two of the Candidate Answer Booklet to record your answers to each multiple choice question. Do not write out the answers to the MCQs on the lined pages of the answer booklet.
Each question is worth 2 marks.

1 Tax avoidance and tax evasion are two techniques used to reduce tax liability.

Which of the following is permissible and carries no risk of any penal action?

A Tax evasion
B Tax avoidance
C Tax evasion and tax avoidance
D None of the above

2 Sharif sold 9,500 Sukuk Certificates issued by ABC Ltd for Rs. 950,000 on 15 March 2015 which he had purchased for Rs. 650,000 on 1 July 2014.

What is the tax liability of Sharif for the tax year 2015?

A Rs. 0
B Rs. 30,000
C Rs. 22,500
D Rs. 37,500

3 Zaheer explained his investment of Rs. 1 million as being financed through a cash loan from his friend, Anwar. A proper loan agreement has been signed between them. Anwar also holds a National Tax Number.

In whose hands will the amount be taxed as income from unexplained sources?

A Zaheer for Rs. 1 million
B Anwar for Rs. 1 million
C Anwar and Zaheer for Rs. 500,000 each
D None of the above being a capital receipt

4 **What is the minimum number of days for which a non-salaried individual has to be present in Pakistan during a tax year to be treated as a resident individual for that tax year?**

A 90 days continuously
B 120 days continuously
C 183 days continuously or in different periods during a tax year
D 182 days continuously or in different periods during a tax year

5 Due to scarce funds, Usman paid a tax demand of Rs. 730,000 due with the return of income, 30 days late.

What is the amount of default surcharge which Usman will have to pay for the late payment of the tax?

A Rs. 0
B Rs. 10,800
C Rs. 12,000
D Rs. 7,300

6 Rameez filed an appeal before the Commissioner Inland Revenue (Appeals) against the assessment order passed by the Deputy Commissioner Inland Revenue for the tax year 2014.

What cannot be done by the Commissioner Inland Revenue (Appeals) when disposing of the appeal by Rameez?

A Set aside the assessment order
B Confirm the assessment order
C Modify the assessment order
D Annul the assessment order

7 Humair has declared taxable income of Rs. 750,000 under the head 'Income from business'. However, he has not maintained the records required under the tax law. The Commissioner has worked out his tax liability, other than the penalty, at Rs. 35,000.

What is the minimum amount of penalty which can be levied on Humair by the Commissioner?

A Rs. 10,000
B Rs. 1,750
C Rs. 35,000
D Rs. 3,500

8 **Who can make an application to the Federal Board of Revenue ('FBR') for the issuance of an advance ruling on a proposed transaction in Pakistan?**

A Any resident taxpayer
B Any non-resident taxpayer
C A resident taxpayer being a company only
D A non-resident taxpayer being a company only

9 A tax liability of Rs. 50,000 has been determined against Bilal in the assessment order for the tax year 2014 on 30 June 2015 which Bilal intends to contest in appeal as totally illegal.

What amount of fee will Bilal have to pay for the filing of an appeal before the Commissioner (Appeals)?

A Rs. 0
B Rs. 5,000
C Rs. 500
D Rs. 1,000

10 Mansoor sustained a capital loss of Rs. 700,000 on the disposal of securities in the tax year 2014. In the tax year 2015, Mansoor earned a capital gain of Rs. 600,000 on the disposal of different securities and of Rs. 100,000 under the head 'Income from business'.

Which of the following treatments of the capital loss sustained in the tax year 2014 will be correct in the tax year 2015?

A A capital loss of only Rs. 600,000 will be brought forward and set off against the capital gains from securities
B A capital loss of Rs. 600,000 will be brought forward and set off against the capital gains from securities. The balance of the loss of Rs. 100,000 will be carried forward to the tax year 2016
C Capital losses in the amounts of Rs. 600,000 and Rs.100,000 will be set off against 'capital gains' and income under the head 'Income from business', respectively
D No amount of capital loss can be brought forward for set off during the tax year 2015 or carried forward to any subsequent tax year

11 In the tax year 2015, a capital gain of Rs. 900,000 accrued to Naseem on the disposal of a sculpture which he had held for three years. Naseem also has business income of Rs. 450,000 in the tax year 2015.

What is the correct amount of tax payable by Naseem on his taxable income for the tax year 2015?

A Rs. 5,000
B Rs. 14,000
C Rs. 91,250
D Rs. 125,000

12 In the tax year 2015, Uzair, a full-time teacher in a university recognised by the Higher Education Commission, earned taxable salary income of Rs. 1,000,000 on which tax payable as per the applicable rate is Rs. 42,500.

By what amount will the tax liability of Uzair be reduced in the tax year 2015 on account of his being a university teacher?

A Rs. 0
B Rs. 17,000
C Rs. 31,875
D Rs. 21,250

13 ABC Ltd paid a fee of Rs. 24,000 to one of its directors, Kiyani, for attending a meeting of the board of directors on 5 June 2015. Kiyani's other taxable income under the head 'Income from other sources' was Rs. 726,000 in the tax year 2015.

What is the amount of tax which ABC Ltd should have deducted from the payment it made to Kiyani during the tax year 2015?

A Rs. 4,800
B Rs. 0
C Rs. 1,120
D Rs. 2,400

14 Which of the statements below are characteristics of a small company?

(1) Paid up capital plus undistributed reserves of Rs. 25 million or less
(2) Annual turnover of Rs. 250 million or less
(3) Number of employees during the year of 500 or less
(4) It is formed by the splitting up or the reconstitution of an existing company

A 1, 2 and 3
B 3 and 4
C 1 and 2 only
D 1, 2 and 4

15 Bell (Pvt) Ltd is a newly incorporated small company under the Companies Ordinance, 1984. For the tax year 2015, its total taxable income was Rs. 90,000 on account of profit from a bank. The bank credited Rs. 81,000 to the company's account after withholding tax of Rs. 9,000.

What is the tax liability of Bell (Pvt) Ltd for the tax year 2015?

A Rs. 9,000
B Rs. 20,250
C Rs. 8,100
D Rs. 22,500

(30 marks)

Section B – ALL SIX questions are compulsory and MUST be attempted

Please write your answers to all parts of these questions on the lined pages within the Candidate Answer Booklet.

1 (a) For the purposes of this part question, you should assume that today's date is 15 January 2015.

Bilal Chemicals (Pvt) Ltd ('BCL') at its annual general meeting held on 31 December 2014 approved the issuance of one bonus share for every five ordinary shares. The value of a bonus share on the first day of the book closure was Rs. 20, which was enhanced to Rs 25 on the last day of the book closure.

Ilyas held 150,000 ordinary shares in BCL on the day of determination of the entitlement for bonus shares.

Required:

(i) Compute the amount of tax which Bilal Chemicals (Pvt) Ltd (BCL) will have to pay on the bonus shares issued to Ilyas. (2 marks)

(ii) State within how many days of the book closure BCL will be required to deposit the tax on behalf of Ilyas. (1 mark)

(iii) State by when and how BCL can recover the tax deposited if Ilyas fails to pay the tax to BCL. (2 marks)

(b) China Agrochemicals Ltd ('CAL'), a company resident in China, has established a liaison office in Multan. The liaison office does not conduct any business in Pakistan and all of its expenditure is borne by CAL. The function of the liaison office is to act as a link between CAL and cotton growers in the Punjab, specifically by keeping the cotton growers aware of CAL's products and keeping CAL aware of the agrochemical needs of the cotton growers.

Required:

(i) State, giving reasons, whether the liaison office will be considered to be a permanent establishment in Pakistan. (1 mark)

(ii) Explain whether or not your conclusion in (i) above would differ if the liaison office, in addition to its liaison activities, also engaged in the negotiation of contracts of purchase of cotton seed from the cotton growers in the Punjab. (2 marks)

(iii) Explain whether or not your conclusions in (i) and (ii) above would differ if the liaison office, in addition to its liaison activities also owns two acres of agricultural land in Multan for the demonstration of the safe use of China Agrochemicals Ltd's agrochemicals on a cotton crop. This demonstration activity does not generate any taxable income. (2 marks)

(10 marks)

2 For the purposes of this question, you should assume that today's date is 15 July 2015.

(a) Jami is a resident in Pakistan. During the tax year 2015, the only income accrued to and received by Jami was Rs. 2,000,000 on account of a gratuity received from his employer, Deluxe Paints Ltd ('DPL'). Jami has never received any other gratuity from any other employer during his whole working life. He is not sure whether the gratuity fund of DPL was approved or not.

Required:

What will be the tax liability of Jami assuming that the gratuity fund of Deluxe Paints Ltd was:

(i) Approved by the Commissioner Inland Revenue ('CIR') under the Sixth Schedule to the Income Tax Ordinance, 2001 ('Ordinance'). (1 mark)

(ii) Approved by the Federal Board of Revenue ('FBR') for the purposes of the relevant clause in the Second Schedule to the Ordinance. (2 marks)

(iii) Neither approved by the CIR nor the FBR. (2 marks)

(b) Asif is an employee of Sabaro Ltd ('Sabaro'), a company listed on the Karachi Stock Exchange. Sabaro gave Asif a loan of Rs. 9,000,000 on 1 July 2014 for the purchase of a house for his family's residence. Sabaro charged Asif profit on this loan at 9% per annum. Asif utilised the loan amount as follows: Rs. 8,000,000 for the purchase of the house and Rs. 1,000,000 for the payment of college fees for his son on 1 June 2015. The taxable salary of Asif without taking into consideration any perquisite on the loan amount was Rs. 10,000,000. No tax was deducted by Sabaro but tax of Rs. 50,000 was collected by the college at the time of the deposit of the fees of his son.

Required:

Compute Asif's taxable income and tax payable for the tax year 2015. (5 marks)

(10 marks)

3 (a) List the SIX categories of movable capital on the disposal of which a loss, if any, shall not be recognised as a capital loss, but a gain, if any, shall be taxable as a capital gain. (3 marks)

(b) For the purposes of this part of the question, you should assume that today's date is 15 July 2015.

Ismat, a resident in Pakistan, disposed of the following assets during the year ended 30 June 2015:

(1) 7 July 2014: Sold a gold bracelet studded with precious gems for Rs. 1,700,000. The bracelet had been gifted to her on her marriage on 20 March 2006, by her grandmother who lived in Saudi Arabia, when it was valued by the family jeweller at Rs. 900,000. Her grandmother had originally bought the bracelet for Rs. 500,000.

Ismat had incurred the following expenditure in connection with the bracelet before its disposal:

– Rs. 100,000 for modification of the design of the bracelet.
– Rs. 4,000 paid to a bank for safe custody of the bracelet during the year ended 30 June 2015.
– Rs. 10,000 paid as valuation fee through crossed cheque to a jeweller to assess the fair market value of the bracelet at the time of its disposal.

(2) 15 August 2014: Sold a treadmill for Rs. 290,000 The treadmill had been purchased on 25 August 2011 for Rs. 200,000 and used exclusively for private purposes.

(3) 22 February 2015: Sold one acre of land situated in Lahore for Rs. 28,000,000. The land had become the property of Ismat on the dissolution of a firm on 1 January 2014, when it was valued by an expert at Rs. 20,000,000. The land was let out in the year ended 30 June 2014 to a contractor who used it for public car parking. No tax was withheld either on the acquisition or sale of the land.

(4) 30 June 2015: Sold 1,000 participation term certificates of Noori Textile Mills Ltd, a company listed on the Islamabad Stock Exchange, for Rs. 400,000. The certificates had been purchased for Rs. 500,000 on 1 July 2013.

Additional information:

Ismat paid zakat of Rs. 42,500 on 15 June 2015 under the Zakat and Ushr Ordinance, 1980.

Required:

Compute the total tax payable by Ismat for the tax year 2015 on the taxable income arising from the above transactions. Give brief reasons for your treatment of each item.

Note: The reasons/explanations for the items not listed in the computation should be shown separately, as specific marks are allocated for these explanations. (7 marks)

(10 marks)

4 (a) Imran is registered as a manufacturer under the Sales Tax Act, 1990.

Required:

(i) State the circumstances in which Imran can be de-registered for sales tax and by whom. (2 marks)

(ii) State the circumstances in which Imran's sales tax registration can be suspended by the Commissioner Inland Revenue. (2 marks)

(iii) State the disability which would apply to a sales tax invoice issued by Imran during the period of the suspension of his registration. (1 mark)

(b) Sales tax is charged on the value of the taxable supplies made by a registered person in the course of any taxable activity carried on by that person.

Required:

State how the value of supply would be determined:

(i) Where the consideration for a supply is partly in kind and partly in cash. (2 marks)

(ii) Where goods are supplied at a discounted price. (3 marks)

(10 marks)

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Question 5 begins on page 14.

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5 For the purpose of this question, you should assume that today's date is 15 July 2015.

Punjab Poultry Mills (Pvt) Ltd ('Punjab Feeds') , a company resident in Pakistan, was incorporated in 2004. The main business of Punjab Feeds is the manufacture and sale of poultry feed for the local market. The company prepares its financial statements to 30 June each year.

The following are the audited financial results of Punjab Feeds for the year ended 30 June 2015:

	Note	**Rs.**
Sales		116,400,000
Cost of sales	1	(80,000,000)
Gross profit		36,400,000
Other income	2	5,600,000
Administrative expenses	3	(15,000,000)
Distribution and selling costs	4	(13,000,000)
Other operating expenses	5	(11,000,000)
		(33,400,000)
Profit before tax		3,000,000
Provision for taxation		(900,000)
Profit after tax		2,100,000

Unless stated otherwise, Punjab Feeds paid for all its expenditure through crossed cheques and tax was deducted and deposited by Punjab Feeds as required under the law.

Notes:

Note 1

Cost of sales includes:

(i) Accounting depreciation of Rs. 5,500,000 on the fixed assets used by the company.

(ii) Rs. 250,000 being the value of food grains rendered unfit for use by insects.

Note 2

Other income includes:

		Rs.
(i)	Profit on a debt from a bank (net) (the related withholding tax is Rs. 100,000)	900,000
(ii)	Additional amount received for delayed payment of a refund from the Commissioner Inland Revenue for the tax year 2013.	700,000
(iii)	Bad debt recovered during the year. The bad debt had been claimed in the tax year 2011 but had not been allowed as a bad debt deduction in that year.	600,000

Note 3

Administrative expenses include legal fees of Rs. 50,000 in connection with the defence of the company's internet domain name.

Note 4

Selling and distribution expenses include a reward of Rs. 1,000,000 to which one of the company's salesman is entitled to under the terms of his employment, for achieving his sales target during the year ended 30 June 2015. However, the reward amount was not paid nor had any tax been deducted before 30 June 2015.

Note 5

Other expenses include Rs.1,000,000 spent on the free treatment of peacocks in the Thar area at the request of the local government.

Note 6

Perusal of the company's statement of financial position as on 30 June 2015 indicates that trade creditors of Rs. 500,000 relating to the year ended 30 June 2011 are still payable due to a dispute pending in a court of law. The chances of Punjab Feeds winning the case are very slim.

Note 7

The company's schedule of fixed assets as per its tax records is as follows:

Asset	Tax written down value ('TWDV') as on 1 July 2014	Additions in year	Total
	Rs.	Rs.	Rs.
Building	25,000,000	–	25,000,000
Plant and machinery	10,000,000	5,000,000 (a)	15,000,000
Motor cars	5,000,000	2,800,000 (b)	7,800,000
Furniture and fixtures	1,580,000		1,580,000

Sub-notes:

(a) Additions in machinery comprises:

	Rs.
– machinery, not previously used in Pakistan, purchased from an importer who sold it without any value addition	3,000,000
– machinery, previously used in Pakistan, purchased from another company (without any tax deduction)	2,000,000
	5,000,000

(b) The additions in motor cars consists of the purchase price of a new car at Rs. 2,500,000 and advance tax of Rs. 300,000 paid at the time of registration of the car.

Note 8

In addition to the tax deductions mentioned above, income tax of Rs. 500,000 was paid along with company's electricity bills during the tax year 2015.

Required:

(a) Compute the taxable income of Punjab Poultry Mills (Pvt) Ltd for the tax year 2015 under the appropriate heads of income, giving clear reasons/explanations for the inclusion in or exclusion from the computation of each of the items listed in the question.

Note: The reasons/explanations for the items not listed in the computation of taxable income should be shown separately. Specific marks are allocated for this part of the requirement. (13 marks)

(b) Calculate the tax payable by/refundable to Punjab Poultry Mills (Pvt) Ltd for the relevant tax year.

Note: Ignore the minimum tax and alternative corporate tax provisions. (2 marks)

(15 marks)

6 For the purpose of this question, you should assume that today's date is 15 July 2015.

Three individuals, Muneer, Kabeer, and Zaheer, are partners of the firm MKZ, sharing the profit and losses of the firm in the ratio of 2:2:1, respectively. MKZ is resident in Pakistan, carrying on the business of manufacture and sale of durable consumer goods. The firm prepares its accounts on an accrual basis.

Details of the partnership's income statement for the year ended 30 June 2015 are:

	Note	Rs.	Rs.
Sales			5,800,000
Less: Cost of sales			(2,300,000)
Gross profit			3,500,000
Less:			
Commission paid to Muneer	(1)	100,000	
Performance-based reward paid to Kabeer	(1)	100,000	
Salaries paid to staff	(2)	900,000	
Profit paid to Zaheer on his capital		200,000	
Depreciation	(3)	1,000,000	
Reimbursement to Kabeer of the running and maintenance expenses of a car, which was used wholly and exclusively for MKZ's business		60,000	
Scholarship to Muneer's daughter as per the terms of the partnership deed		110,000	
Rent paid without tax deduction		400,000	
Advance tax paid for the tax year 2015		100,000	
Fees paid to the firm's auditors	(4)	35,000	
			(3,005,000)
Net profit			495,000

Notes:

Note 1

The commission paid to Muneer and the performance-based reward paid to Kabeer were in accordance with the policy of the firm applicable to all employees whether partners or non-partners.

Note 2

Salaries include Muneer's salary of Rs. 400,000. The salary was paid through crossed cheques as required under the law.

Note 3

Depreciation claimed is in accordance with the third schedule to the Income Tax Ordinance, 2001 except that depreciation of Rs. 30,000 was claimed on a new computer costing Rs. 100,000 put to use in May 2015. No initial allowance was claimed on this computer.

Note 4

In addition to the audit fee, this amount includes Rs. 25,000 paid for the preparation of a feasibility report for conversion of the MKZ into a company.

Note 5

Besides their share of income from the MKZ, Muneer and Kabeer have other taxable income under the head 'Income from business' of Rs. 600,000 and Rs. 700,000, respectively in the tax year 2015. Zaheer has no other sources of income.

Note 6

MKZ has paid advance tax of Rs. 100,000 for the tax year 2015.

Required:

(a) Compute the taxable income of the firm MKZ and the tax payable thereon for the tax year 2015, giving clear reasons/explanations for the inclusion in or exclusion from the computation of each of the items listed in the question

Note: The reasons/explanations for the items not listed in the computation of taxable income should be shown separately. Specific marks are allocated for this part of the requirement. (10 marks)

(b) Compute the share of income from the firm, taxable income of and tax payable by each of the partners, Muneer, Kabeer and Zaheer. (5 marks)

(15 marks)

End of Question Paper