International Islamic University Chittagong

Department of Law, LL.B. (Honors)

Final Term Examination, Spring-2018

Course Title: Fiscal Law of Bangladesh

Course Code: L-3509, 5th Semester

Total Marks: 50

Time-2:30 Hours

Answer any FIVE of the following questions. All questions are of equal value.

1. a) Define VAT. Illustrate the rationales behind introducing VAT in Bangladesh along with its disadvantages. b) Classify and define various types of securities.

2. Explain any three of the followings:

a. Partly agricultural and partly business income b. Capital gain

c. Tax rate d. Securities and its classification

3. Describe the penalties and punishments for the following offences:

i) Penalty for non maintaining accounts in prescribed manner; ii) Penalty for improper use of TIN; iii) Punishment for concealment of income; iv) Punishment for obstructing income tax authority in discharging their duties.

4. Mr. "M" is a service holder. Following are the particulars of his income for the year ended on June 30, 2018. Compute taxable income from salary.

Basic salary Tk.25000 per month; Dearness allowance 15% of B.S.; two festival bonus each equal to one month's basic salary. Entertainment allowance tk.1000 monthly. House allowance monthly tk. 12000. The annual increment is 5% of Basic salary which is added with salary in 1, May of each year. He has been provided with a car for both office and private use. His contribution to unrecognized provident fund is @10% of B.S. The employer also contributes the same amount. He contributes 1% of his basic salary to the Group Insurance Scheme. He had a house at Gulshan half of which was rented at Tk. 20,000 per month and other half was used for his residential purpose. The annual value of the house is tk. 200000/. He spent tk. 18000 as repair and white wash charge, tk. 4,000 as local government tax and Tk. 6000 as electricity bill. He has one acre of land used for agricultural purpose. He leased his land for tk. 62,000 for the year. He has a pond from which he earned tk. 50,000 by selling fish. He paid local government tax for the land tk. 5000/ and paid insurance premium tk. 4000/. He had income from business tk. 300000/. He donated tk. 50,000/ to the Liberation war memorial. He had paid tk. 60000/ as DPS. Compute the tax to be paid by Mr. M for this income year.

5. On June 30, 2016 Mr. Rana's basic salary falls on Tk. 12,000 on the scale of 10,000-1,000x4-14,000.His Date of yearly increment is on 1st April. He received

dearness allowance @10% of B.S. and medical allowance Tk. 1,175 per month. Actual expense was Tk. 3000 that year. He received 3 bonuses equal to one month's B.S. in the month of August , January and May. He contributes 10% of B.S. to a RPF and received an interest of Tk. 1,500 @15% interest. The employer also contributes the same amount. He has been provided with a rent-free quarter and a car for personal and official use. He received an entertainment allowance of tk 13,375 of which tk 4,500 has actually been spent. Compute his taxable income.

6. Mr. Abid is the owner of a four-storied building at Mirpur. In the each floor of the building there are 2 flats. He resides with his family in one flat of the 2nd floor and in another flat of the same floor is used as residence by his elder son who is fully dependant on him. All other flat were let out for residential purpose at a monthly rent of tk. 10,000 per flat. During the year, he has borne the water and gas bill of a tenant amounted to Tk. 30,000 and one of the tenants has borne the repair expense amounted to Tk. 10,000. Municipal value of the house is Tk. 9,60,000. Advance received Tk.1,00,000 during the year and refund of advance was Tk. 40,000. Expenses in that year were- Repair expenses Tk. 1,90,000; City Corporation Tax Tk. 22,000 ; Insurance premium Tk. 16,000 ; Caretaker and night guard salary Tk.24,000; Painting cost of the building Tk. 15,000 ; Land revenue paid Tk. 2,000 ; Mortgage interest paid Tk. 4,000; Legal expense Tk.6,000; Alteration cost for ground floor Tk 30,000; Installation of generator Tk. 50,000; During the year 1 tenant left the house without paying 1months rent. Besides 1 flat was vacant for 2 months during the year. Compute his taxable income from house property for the income year ended on 30th June, 2016.

7. From the following particulars of Mr. Ruhul, compute the taxable income for the year 2016-2017.

1) Sale of rice: 150 maunds @	tk. 800
2) Sale of rabi crops	tk. 50000/
3) Yearly lease of agricultural land	tk. 150000/
4) Income from sale of bamboo	tk. 20000/
5) Income sale of palm juice	tk. 18000/

Mr. Ruhul does not keep proper books of accounts. He claims tk. 80,000 as cost of cultivation. He also paid Union Parishad tax and land revenue tk 2000 and 1000 respectively.