

International Islamic University Chittagong

Department of Law

Final Examination, Spring -2019

Program: LL.B. (Hons.), Semester: 5th

Department of Law

Course Title: Fiscal Laws of Bangladesh

Course Code: Law- 3509

Time: 2.5 Hours

Marks: 50

Figures in the right indicate marks. Answer any five (5) questions of the following. Start answering each question from fresh sheet. *

- 1 Explain the term 'Vat; .Evaluate the characteristics of Vat in Bangladesh. What are the advantages and disadvantages of Vat? 10
- 2 a) Enumerate the grounds for imposing penalty under the Income Tax Ordinance, 1984 ? 7
b) Elaborately discuss the grounds and procedure of appeal under the ITO. 3
- 3 Mrs. Shuhi is the Manager of MTS International. Had the following income for the year ended on 30-06-2019 10
 - a) Basic Salary Tk.60,000 P.M.
 - b) Four bonus equivalent to one month's basic salary each.
 - c) Dearness allowance 10% of B.S
 - d) Conveyance allowance received in cash tk.70,000
 - e) She received entertainment allowance tk. 2,500 per month
 - f) Rent free quarter.
 - g) Medical allowance Tk. 16000 per month.
 - h) Others allowance Tk.20,000
 - i) She received Tk.1 lakh from Insurance policy at maturity.
 - j) Birthday presentation to her colleague Tk.15000
 - k) She is married and has two handicapped children.

She has invested Tk.1, 30,000 in the Share Business and paid Tk.10, 000 as life insurance premium on the life of her minor-child. She purchased a Laptop Tk.45000 and donated Tk. 12500 to the Muktijudha Jadughar. She has a DPS in Islami Bank Bangladesh Ltd monthly instalment is Tk.5500. She also donated Tk.7000 to govt. Zakat fund.

- 4 Mr. M. Robin owns a house at GEC. He is a gazette war wounded freedom fighter of Bangladesh. 10
The house has nine flats and one flat is occupied by the owner himself. The other flats are let out for taka 22,000 each per month. The city corporation for tax purpose valued its annual value at Tk. 4, 70,000. He spends the following amount in the year ended on 30th June 2019.

Particulars	Tk.
White wash and repair	14000
Municipal tax	19000
Fire Insurance premium	8000
Water and sewerage charge	16300
Salary of Gardener	22500
Installation of Generator	75000
Interest on borrowed money	12500
Cost of alteration	2000
Ground rent	22500
Salary of guard	22500
Interest on loan	25000
Installation of A.C.	250000

Three flats of this house were vacant for three months. He bears the water and gas bill of the tenant which amount Tk.4500 for the year. Compute taxable income and tax of Mr. M. Robin for the House.

- 5 Agricultural income of M. Hafiz for the income year ended on 30th June, 2019 are- Sale of paddy 10
150 maunds@Tk. 600 per maunds; Sale of jute 100 maunds@Tk. 800 per maunds; Sale of robi crops Tk.65,000 ; Sale of tea Tk. 70,000; income from borga Tk.20,000; Lease of agricultural land Tk.30,000. Expenses were- Costs of seeds and fertilizer Tk 40,000; Cultivation cost Tk.65,000; Transportation cost Tk. 15,000; processing cost Tk.25,000; Land revenue paid Tk 7,000; Union parishad tax Tk. 4,400; crop insurance premium Tk.5,600;. He had a pump machine which was purchased at Tk.35000; it has become obsolete and has been discarded at Tk. 15000. The written down value after charging depreciation at I.T.O prescribed rate estimated at tk.12000. He paid union parishad Tax Tk.12500, land revenue Tk.1000 and life Insurance premium and crops Insurance premium Tk.22000 and 5000. He also purchased a saving certificate Tk.7000. He did not maintain proper books of account. Compute his taxable income from house property for the income year ended on 30th June, 2019.

6 **Mr. Rohan** is a government employee. Following are the particulars of his income, investment and expenditure for the year ended on 30th June 2019. Compute income from salary, tax credit income and tax payable under the following situation. 10

- i. Basic salary Tk. 55000 per month.
- ii. House Rent Tk. 214200 per month.
- iii. Medical expenses Tk.50000 per month.
- iv. Entertainment allowance Tk. 13000
- v. Two bonus equivalent to one month's basic salary each.
- vi. Income from house property Tk.1560000
- vii. Income from lease of agricultural land Tk.80000
- viii. He received profit on ICB Unit certificate Tk.135000

He contributes Tk.8000 P.M. to a recognised provident fund. He received interest on recognised provident fund Tk.25000. He has a DPS in Sonali Bank, monthly instalment is Tk.7000.He has invested Tk. 80,000 in Share business.

7 Mr. Asraful is a 68 years old Businessman .Following is the profit and loss account of his business for the year ended on 30-06-2019. Compute his business, total income and tax thereon. 10

Particulars	Tk.	Particulars	Tk.
Salaries	48000	Gross profit	11.75600
Annual membership fee	9600	Profit on ICB certificate	30000
Interest on loan	2000	Interest on commercial securities	50000
Overseas traveling expenses	4000		
Purchase of Trade mark	150000		
Fund embezzlement	6500		
Educational expenses for minor child	1200		
Depreciation reserved	5000		
Fire insurance	1500		
Legal expenses	2500		
Commission	1500		
Personal expenses	1700		
Bad debt reserved	5000		
New year's presentation to employee	6000		
Interest on capital to partner	7000		
License renewal fees	12000		
Contribution to unrecognized provident fund	9000		
Retirement benefit paid to employee	70000		
Cost of accounting and audit	7600		
Distribution of free sample	50000		
Capital expenditure for advertisement	7000		
Net profit	850000		
	1255600		1255600

Other information:

- i. Fund embezzlement occurred in (office hour Tk. 2000)
- ii. Legal expenses include Tk. 500 for income tax appeal and Tk. 500 for VAT appeal
- iii. Commission received and paid 750 and 750 has not been recorded.
- iv. Miscellaneous expense includes Tk. 25000 that was incurred for purchasing assets for the business.