

PUNJAB PUBLIC SERVICE COMMISSION
COMBINED COMPETITIVE EXAMINATION FOR
RECRUITMENT TO THE POSTS OF
PROVINCIAL MANAGEMENT SERVICE-2019

SUBJECT: COMMERCE (PAPER-II)

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE: **Attempt Five Questions in All. Attempt at least ONE question each from Section A to D. Calculator is allowed (Not programmable).**

SECTION - A

- Q No. 1:** Write a detailed note on the benefits of CPEC to Pakistan's Economy. (20 Marks)
- Q No. 2:** "Pakistan is facing acute shortage of Foreign Exchange". What measures should be adopted to increase the Foreign Exchange Resources? (20 Marks)

SECTION - B

- Q No. 3:** Define Business Finance. What are the main sources of Business Finance? Also explain role of Capital Markets in capital formation. (20 Marks)
- Q No. 4:** Discuss the important Documents of a Joint Stock Company. (20 Marks)

SECTION - C

- Q No. 5:** State Bank is a regulatory body for the financial institutions in Pakistan, explain. Discuss various functions of State Bank of Pakistan. (20 Marks)
- Q No. 6:** What is Provident Fund? Discuss the treatment of various types of Provident Fund with their tax treatment in the calculation of Taxable Income. (20 Marks)

SECTION - D

- Q No. 7:** Define Internal Audit and its objectives also compare Internal Auditor with External Auditor. (20 Marks)
- Q No. 8:** From the following data, calculate income tax payable by Anis Ahmad for the tax year ending 30th June 2018:
- 1- Basic salary Rs.50,000 per month in the scale (Rs.40,000-44,000-64,000).
 - 2- Bonus Rs.125,000.
 - 3- Entertainment allowance Rs.45,000,
 - 4- House rent allowance at 50% of the minimum time scale.
 - 5- Conveyance allowance Rs.80,000.
 - 6- Tax paid by the employer Rs.35,000.
 - 7- Zakat was deducted Rs.250,000.
 - 8- Re-imbursement of internet bill (used for office) Rs.38,000.

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- 9- Encashment against unavailed leave Rs.27,000.
 10- Interest free loan obtained from employer Rs.12,00,000.
 11- Medical allowance Rs.66,000.
 12- Fixed educational allowance for children Rs.42,000.
 13- Telephone bills paid by employee himself Rs.36,000 (tax paid with telephone bills Rs.2,500).
 14- Tax paid on cash withdrawal from bank Rs.5,000.
 15- Hotel bills paid by the company relating to official duties Rs.55,000.
 16- Received Income Tax fund related to tax year 2016 Rs.20,000.
 17- TV and Refrigerator provided by the employer only for the use of employee costing Rs.200,000 on which the company charged depreciation @20% in its books of accounts.

Rates of tax for salaried persons are as follows:

Sr. No.	Slabs	Rate of Tax
1	Where the taxable income does not exceed Rs.4,00,000	%
2	Where the taxable income exceeds Rs.4,00,000 but does not exceed Rs.5,00,000	2% of the amount exceeding Rs.4,00,000
3	Where the taxable income exceeds Rs.5,00,000 but does not exceed Rs.7,50,000	Rs.2,000+5% of the amount exceeding Rs.5,00,000
4	Where the taxable income exceeds Rs.7,50,000 but does not exceed Rs.14,00,000	Rs.14,500+10% of the amount exceeding Rs.7,50,000
5	Where the taxable income exceeds Rs.14,00,000 but does not exceed Rs.15,00,000	Rs.79,500+12.5% of the amount exceeding Rs.14,00,000
6	Where the taxable income exceeds Rs.15,00,000 but does not exceed Rs.18,00,000	Rs.92,000+15% of the amount exceeding Rs.15,00,000
7	Where the taxable income exceeds Rs.18,00,000 but does not exceed Rs.25,00,000	Rs.1,37,000+17.5% of the amount exceeding Rs.18,00,000
8	Where the taxable income exceeds Rs.25,00,000 but does not exceed Rs.30,00,000	Rs.2,59,500+20% of the amount exceeding Rs.25,00,000
9	Where the taxable income exceeds Rs.30,00,000 but does not exceed Rs.35,00,000	Rs.3,59,500+22.5% of the amount exceeding Rs.30,00,000
10	Where the taxable income exceeds Rs.35,00,000 but does not exceed Rs.40,00,000	Rs.4,72,000+25% of the amount exceeding Rs.35,00,000
11	Where the taxable income exceeds Rs.40,00,000 but does not exceed Rs.70,00,000	Rs.5,97,000+27.5% of the amount exceeding Rs.40,00,000
12	Where the taxable income exceeds Rs.70,00,000	Rs.14,22,000+30% of the amount exceeding Rs.70,00,000

(20 Marks)