



PUNJAB PUBLIC SERVICE COMMISSION
COMBINED COMPETITIVE EXAMINATION
FOR RECRUITMENT TO THE POSTS OF
PROVINCIAL MANAGEMENT SERVICE, ETC -2021
CASE NO. 3C2022

SUBJECT: COMMERCE (PAPER-II)

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE:

- i. All the parts (If any) of each Question must be attempted at one place instead of at different places.
- ii. Write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper.
- iii. No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
- iv. Extra attempt of any question or any part of the question will not be considered.

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

SECTION-A

Q No. 1: Give an analysis of exports and imports of Pakistan in the context of current economic survey.
(20 Marks)

Q No. 2: Define Fiscal policy and discuss its various tools in detail.
(20 Marks)

SECTION-B

Q No. 3: What is Memorandum of Association? What are its contents? Explain the difference between Memorandum of Association and Articles of Association.
(20 Marks)

Q No. 4: Define different levels of corporate social responsibility? Also explain in detail six steps of strategic management process?
(20 Marks)

SECTION-C

Q No. 5: Explain in detail the procedure for formation of joint stock companies in Pakistan?
(20 Marks)

Q No. 6: Define a letter of credit? Discuss the main types of letter of credit.
(20 Marks)

SECTION-D

Q No. 7: Define capital budgeting process? Also explain in detail different capital budgeting techniques being used for project evaluation?
(20 Marks)

Q No. 8: From the following data, calculate income tax payable by Mr. Ahmed for the tax year ending 30th June 2021:
(20 Marks)

1. Basic salary Rs. 80,000 per month in the scale (Rs. 60,000-5,000-95,000).
2. Bonus Rs. 200,000.
3. Entertainment allowance at 50% of the minimum time scale.
5. Conveyance allowance Rs. 90,000.
6. Tax paid by the employer Rs. 25,000.
7. Zakat was deducted Rs. 260,000 .
8. Re-imbursement of internet bill (used for office) Rs.35,000.
9. Encashment against unavailed leave Rs. 25,000.
10. Interest free loan obtained from employer Rs.12,00,000.

11. Medical allowance Rs. 100,000.
12. Fixed educational allowance for children Rs. 70,000.
13. Telephone bills paid by employee himself Rs.36,000(tax paid with telephone bills Rs.35,00).
14. Hotel bills paid by the company relating to official duties Rs. 65,000.
15. Utilities allowance Rs. 45,000.
16. TV and Refrigerator provided by the employer only for the use of employee costing Rs. 150,000 on which the company charged depreciation @ 20% in its books of accounts.
17. Tax deducted from salary during the period Rs. 40,000.
18. Health Insurance premium paid by the employer to insurance company under the terms of employment Rs. 80,000.

Rates of tax for salaried persons are as follow

Taxable Income	Income Tax Rate in Pakistan
Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	5% of the amount exceeding Rs. 600,000
Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,800,000	Rs. 30,000 plus 10% of the amount exceeding Rs. 1,200,000
Where taxable income exceeds Rs. 1,800,000 but does not exceed Rs. 2,500,000	Rs. 90,000 plus 15% of the amount exceeding Rs. 1,800,000
Where taxable income exceeds Rs.2,500,000 but does not exceed Rs. 3,500,000	Rs. 195,000 plus 17.5% of the amount exceeding Rs. 2,500,000
Where taxable income exceeds Rs. 3,500,000 but does not exceed Rs. 5,000,000	Rs. 370,000 plus 20% of the amount exceeding Rs. 3,500,000
Where taxable income exceeds Rs. 5,000,000 but does not exceeds Rs. 8,000,000	Rs. 670,000 plus 22.5% of the amount exceeding Rs. 5,000,000
Where taxable income exceeds Rs. 8,000,000 but does not exceeds Rs. 12,000,000	Rs. 1,345,000 plus 25% of the amount exceeding Rs. 8,000,000
Where taxable income exceeds Rs. 12,000,000 but does not exceeds Rs. 30,000,000	Rs. 2,345,000 plus 27.5% of the amount exceeding Rs. 12,000,000
Where taxable income exceeds Rs. 30,000,000 but does not exceeds Rs. 50,000,000	Rs. 7,295,000 plus 30% of the amount exceeding Rs. 30,000,000
Where taxable income exceeds Rs. 50,000,000 but does not exceeds Rs. 75,000,000	Rs. 13,295,000 plus 32.5% of the amount exceeding Rs. 50,000,000
Where taxable income exceeds Rs. 75,000,000	Rs. 21,420,000 plus 35% of the amount exceeding Rs. 75,000,000]