

University of Management and Technology

## CL-340 Business Taxation

Resource Person:	Professor Abdul Rafay, FCA Profile: <a href="#">Click here</a>
Email:	abdul.rafay@umt.edu.pk
Contact Hours:	8:30 am – 10:30 am
Office Address:	Department of Banking & Finance, HSM
Programme:	BSAF
Section:	A & B
Semester:	Spring 2023
Course Pre-requisites:	Financial Accounting
Credit Hours:	3
Course Type:	UG
Venue/Day/Time:	Tuesday & Wednesday (8:30-11:00 am)
Course URL (if any):	LMS-Moodle & GoogleDrive

### Course Description:

Business Taxation builds on the knowledge gained in the pre-requisite subjects. This course equips the participants with more specialist capabilities which are covered in the subjects of Accounting & Finance. The objective here is to ensure that the participants have a broader background about the techniques being used in taxation system of Pakistan. The syllabus then considers decision-making. The participants need to appreciate the problems surrounding fundamentals of taxation for salary income, capital gains, taxes on business income to name a few. Business taxation decisions are real-life decisions and the participants need to understand these and be able to apply some basic methods to resolve the risks inherent in taxation structures.

### Course Teaching Methodology:

Class discussions from prescribed readings  
Problem Solving  
Applications of concepts using case study analysis wherever required

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<b>Programme Educational Objectives (POs):</b>	
PO-1	Critical Thinking and Decision Making
PO-2	Effective Communication Skills
PO-3	Ethics and Sustainability
PO-4	Core Business Knowledge and Competence
PO-5	Effective Teamwork and Leadership Skills
PO-6	Industry Focus
PO-7	Global Perspective (Internationalization)
PO-8	Market Knowledge
PO-9	Professional Track

<b>Programme Learning Outcomes (PLOs):</b>		
<b>After completing this degree programme, students shall be able to:</b>		
		<b>Mapping the PLOs with POs</b>
PLO-1	Graduates must be able to use analytical and reflective thinking techniques to identify and analyze problems, develop viable alternatives, make effective decisions and apply appropriate quantitative and qualitative techniques in solving business problems	PO-1
PLO-2	Graduates must be able to draft effective business documents and prepare and deliver effective oral business presentations using a variety of appropriate technologies.	PO-2
PLO-3	Graduates must be able to identify and analyze ethical conflicts and sustainability issues involving different stakeholders in order to develop viable alternatives and make effective decisions relating to business ethics and sustainability.	PO-3
PLO-4	Graduates must be able to demonstrate competency in the underlying concepts, theory and tools taught in the core undergraduate curriculum.	PO-4
PLO-5	Graduates must be able to work effectively in teams and understand group processes, leadership, conflict, power and culture in organizations.	PO-5
PLO-6	Graduates must be able to understand the dynamics of local industry and understand business as an integrated system and apply strategic planning tools to coordinate among the functional areas.	PO-6
PLO-7	Graduates must be able to identify and analyze relevant global factors that influence decision-making and develop viable alternatives and make effective decisions in an international business setting.	PO-7
PLO-8	Graduates must be able to know, and work in financial markets and roles within current trends and practices at both operational and strategic levels.	PO-8
PLO-9	Graduates must be able to possess and reflect the required learning to be able to earn professional credentials in the area of Accounting and Finance including CA and ACCA.	PO-9

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<b>Course Objectives (COs)</b>	
CO-1	To discuss terminologies of business taxation and to select and appropriately apply decision-making techniques to evaluate taxation choices.
CO-2	To develop and utilize tax information for strategic decision-making.
CO-3	To learn about the decision making process in the corporate tax environment.
CO-4	To understand various sources of income for taxation purposes.

<b>Course Learning Outcomes (CLOs):</b> After completing this course, students shall be able to understand:		
		<b>Mapping the CLOs with PLOs</b>
CLO-1	Significance of Taxes for a sustainable economy	All PLOs
CLO-2	Overview of Taxation Law in Pakistan including Exemptions and Tax Credits	All PLOs
CLO-3	Taxation of Salary Income	All PLOs
CLO-4	Taxation of Property Income	All PLOs
CLO-5	Taxation of Business Income	All PLOs
CLO-6	Taxation on Capital Gains	All PLOs
CLO-7	Taxation on Other Sources of Income	All PLOs
CLO-8	Ethical Practices in Taxation Structure	All PLOs

<b>Assurance of Learning and Assessment Items:</b> Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs		
<b>Assessment Item</b>	<b>Application/ Objectives PLO / CO / CLO</b>	
Quiz	All PLO/CO/CLO	
Assignments	All PLO/CO/CLO	
Class Participation	All PLO/CO/CLO	
Mid Term	Pre-Mid PLO/CO/CLO	
Final Term	All PLO/CO/CLO	
<b>Assessment Structure and Grading Policy*:</b>		
<b>Assessment Item</b>	<b>Weight (%)</b>	<b>Execution Plan</b>
Quiz	20%	Multiple
Assignments	05%	Multiple
Class Participation	10%	Throughout the semester
Mid-term exam	25%	One-time assessment
Final exam	40%	One-time assessment
<b>Total</b>	<b>100%</b>	

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### Notes – Norms and Important Class Policies:

(such as submission guidelines, academic honesty, make-up policy, code of conduct)

- Be on time.
- Mobile Phones must be turned off.
- Minimum attendance shall as per university policy
- All plagiarism rules are applicable on assignments and projects
- Unfair means during exam are subject to disciplinary action.

\*Rubrics for all assessments (including mid and final exams) will be provided separately to the students. The Weights are tentative and may vary as per the discretion of the resource person.

### Weekly Plan

Week	Topics / Contents	Application/Objectives PLO / CO / CLO
1	<p><b>Significance of Taxes for a sustainable economy</b></p> <ul style="list-style-type: none"> <li>• To understand the importance of taxation structures for a sustainable economy</li> </ul>	CLO1
2-3	<p><b>Business Taxation – An Overview</b></p> <ul style="list-style-type: none"> <li>• Basic concepts</li> <li>• Definitions</li> <li>• Examples of various forms of taxes</li> </ul> <p><b>Assessment:</b> Quiz &amp; Class Participation via Discussion</p>	CLO2
4-7	<p><b>Sources of Income – Salary Income</b></p> <ul style="list-style-type: none"> <li>• Salary</li> <li>• Perquisites, allowances &amp; benefits</li> <li>• Provident Fund &amp; Other retirement Benefits</li> <li>• Employee Share Scheme</li> <li>• Loan from Employer</li> <li>• Tax Free Salary</li> <li>• Computation of Salary Income</li> <li>• Taxation on Salary Income</li> </ul> <p><b>Case:</b> Self Developed <b>Problem Solving Exercises:</b> Available on LMS &amp; GoogleDrive <b>Assessment:</b> Class Assignment &amp; Quiz</p>	CLO3
8-9	<p><b>Sources of Income – Property Income</b></p> <ul style="list-style-type: none"> <li>• Rent Chargeable to Tax (RCT)</li> <li>• Advances against Rented Buildings</li> <li>• Admissible Deductions</li> <li>• Rent inclusive and exclusive of utilities</li> <li>• Computation of Property Income</li> <li>• Taxation on Property Income</li> </ul> <p><b>Case:</b> Self Developed <b>Problem Solving Exercises:</b> Available on LMS &amp; GoogleDrive <b>Assessment:</b> Class Assignment &amp; Quiz</p>	CLO4

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8	<b>MID TERM</b>	CLOs 1 - 4
10-11	<p><b>Sources of Income – Business Income</b></p> <ul style="list-style-type: none"> <li>• Business &amp; Income chargeable under Business</li> <li>• Speculation Business</li> <li>• Admissible Deductions</li> <li>• Deductions not Admissible</li> <li>• Computation of Business Income</li> <li>• Taxation on Business Income</li> </ul> <p><b>Case:</b> Self Developed <b>Problem Solving Exercises:</b> Available on LMS &amp; GoogleDrive <b>Assessment:</b> Class Assignment &amp; Quiz</p>	CLO5
12	<p><b>Sources of Income – Capital Gains</b></p> <ul style="list-style-type: none"> <li>• Capital Assets</li> <li>• Computation of Capital Gain</li> <li>• Capital Gain on Immovable Property</li> <li>• Capital Gain on Disposal of Securities</li> <li>• Capital Gain Tax</li> <li>• Treatment of Capital Losses</li> </ul> <p><b>Case:</b> Self Developed <b>Problem Solving Exercises:</b> Available on LMS &amp; GoogleDrive <b>Assessment:</b> Class Assignment &amp; Quiz</p>	CLO6
13	<p><b>Sources of Income – Other Sources</b></p> <ul style="list-style-type: none"> <li>• Taxation for <ul style="list-style-type: none"> <li>• Dividend</li> <li>• Royalty</li> <li>• Profit on Debt</li> </ul> </li> </ul> <p><b>Case:</b> Self Developed <b>Problem Solving Exercises:</b> Available on LMS &amp; GoogleDrive <b>Assessment:</b> Class Assignment &amp; Quiz</p>	CLO7
14	<p><b>Tax Exemptions, Concessions, Credits &amp; Rebates</b></p> <ul style="list-style-type: none"> <li>• Incomes Exempt from Tax</li> <li>• Tax Credits for <ul style="list-style-type: none"> <li>• Donations</li> <li>• Investments</li> <li>• Voluntary Contributions</li> <li>• Pension Funds</li> <li>• Charitable Organizations</li> </ul> </li> </ul> <p><b>Assessment:</b> Class Participation via Discussion</p>	CLO1 & 2
15	<p><b>International Taxation - Ethical Practices in Tax Collections</b></p> <ul style="list-style-type: none"> <li>• International Double Taxation Agreements</li> <li>• Taxation for Multinationals and Foreign subsidiaries</li> <li>• Tax Avoidance and Tax Evasion</li> <li>• Foreign Tax Credits</li> </ul>	CLO8



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16	Final Term Examination	All CLOs
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*\*Sequence of topics & Activities may vary as per class circumstances*

<b>Primary Text Book (s):</b> <ul style="list-style-type: none"><li>Income Tax Ordinance 2001</li><li>Income Tax Rules 2002</li><li>Synopsis of Taxes in Pakistan By Mirza Munawwar Hussian</li></ul>
<b>Reference / Supplementary Reading (s):</b> <p>All additional supplementary readings will be uploaded on LMS and GoogleDrive</p>
<b>Useful Online / Web Resources:</b> <p><a href="https://fbr.gov.pk">https://fbr.gov.pk</a></p>