



**Pakistan Institute of Public
Finance Accountants**

May Exam-2026

[05.May.2026] [02:30 pm – 05:15 pm]

Additional time – 15 min for Paper Reading

Income Tax Laws (Application)

AGP

Marks-80

Subjective

Duration: 02 Hours 30 Minutes

[Instructions]

- Ensure that the question paper delivered to you is the same, in which you intend to appear.
- Read the instructions given on the title page of Answer Script.
- Start each question from fresh page.

Books Allowed:

- Income Tax Ordinance, 2001 (updated)
- Income Tax Rules, 2002 (updated)
- Income Tax Circulars (in binding form duly authenticated by PAAA)

Attempt all Questions

Q.1. AB Textile Industry of Faisalabad has paid up capital of Rs. 1,000,000,000. Its Balance Sheet shows for the period ending June 2025 the profit of Rs. 200,000,000. But it neither filed any Tax Return nor deposited Taxable amount in Government Account for the Year 2024-25.

Required:

Mention the mechanism for recovery of default amount of Tax.

15

Q.2. Describe the system of selecting Income Tax Returns for detailed audit by the FBR.

15

Q.3. M/s **Enterprises** is a contracting firm. During the Year 2024-25, it received following payments from the sponsor organizations:

S. No.	Name of Work	Amount received (Rs.)
1.	Resurfacing of Korangi Road 2kms	2,000,000
2.	Supply of 10 ton Alum to Water Filter Plants of KWSB	5,000,000
3.	Supply of Medicines to Civil Hospital, Karachi	50,000,000
4.	Fixing of hand pumps in villages of Hyderabad District Council	40,000,000

Required:

Calculate the Income Tax deduction at source?

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Q.4. What forums are available for appeal with an aggrieved Tax Payer?

15

Q.5. What is Provisional Assessment and Best Assessment?

05

Q.6. (a) What is Tax Credit? Why is it given to the tax payers?

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(b) What are types of Tax Credits? Give any FOUR common examples.

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