

**PUNJAB PUBLIC SERVICE COMMISSION**  
**COMBINED COMPETITIVE EXAMINATION**  
**FOR RECRUITMENT TO THE POSTS OF**  
**PROVINCIAL MANAGEMENT SERVICE, ETC.**

**COMMERCE (OPTIONAL) PAPER-II**

**TIME ALLOWED: 3 HOURS**

**MAXIMUM MARKS: 100**

- Note:** (i) Attempt only Five questions. Select at least one question each from the Section A, B, C, and D. All questions carry EQUAL marks.
- (ii) Extra attempt of any question or any part of the attempted question will not be considered.
- (iii) Use of simple calculator is allowed.
- (iv) Candidate must draw two straight lines (====) at the end to separate each question attempted in Answer Books.

**SECTION-A**

**Q.1:** Discuss the Impact of Small-scale Industries on the important Economic Variables.

**Q.2:** "2010 was the worst year in the Economic history of Pakistan" Discuss

**SECTION-B**

**Q.3:** Define a Qualified Audit Report. Give a specimen of a Qualified Audit Report.

**Q.4:** Describe the procedure of Formation of Joint Stock Company.

**SECTION-C**

**Q.5:** (a) Explain the term Registration under Sales Tax Act 1990.

(b) Explain different types of Sales Tax Returns.

**Q.6:** Mr. Adeel is an employee of a public limited company. He derived following income during the tax year ended on June 30, 2010:

1. Basic Salary Rs 20,000 per month.
2. House Rent Allowance Rs 2,000 per month
3. Rent free furnished accommodation provided by the company. The annual value is Rs 70,000.
4. Interest free loan received from the company Rs 60,000
5. Conveyance Allowance Rs 12,000
6. Utility Allowance Rs 1,000 per month
7. Medical Allowance Rs 8,000
8. Purchase of shares sold by Privatization Commission of Pakistan Rs 80,000.
9. Donation for Charity Rs 15,000
10. Rent from House Let-out Rs 25,000 per month
11. Income from poultry business Rs 35,000
12. Zakat Deducted Rs 500

Calculate:

Taxable Income and Tax Payable by Mr Adeel.

Tax Rates:

Rs. 350,000 to Rs. 400,000	1.50%
Rs. 400,001 to Rs. 450,000	2.50%
Rs. 450,001 to Rs. 550,000	3.50%
Rs. 550,001 to Rs. 650,000	4.50%

Marginal Relief:

- a. Total Income does not exceed Rs 550,000. Tax payable on maximum of last slab plus 20% of the amount exceeding the last slab limit.
- b. Total Income does not exceed Rs 10,50,000. Tax payable on maximum of last slab plus 30% of the amount exceeding the last slab limit.

**SECTION-D**

**Q.7:** What is Letter of Credit? Discuss the procedure of opening and functioning of Letter of Credit.

**Q.8:** What is Scientific Management? What are principles of Scientific Management?