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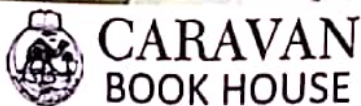


Inspector INLAND REVENUE MCQs + Conceptual Keys GUIDE

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Caravan's INSPECTOR INLAND REVENUES GUIDE

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Preface

This book is a dedicated venture to enable students hailing from diverse backgrounds to arrive at a clear and meaningful comprehension of tax laws. It has been observed that many a candidate wants to inculcate a sound mastery over financial laws. However, at the outset, it needs to be clarified that financial laws are largely based on specialized fields of accounting and taxation which makes their understanding more cumbersome than other laws. Various instances have been come across wherein candidates emphasize reading the law more accurately and precisely only through reading bare acts. This would be a disastrous approach to arrive at a clear meaning of the spirit of financial laws.

Financial laws which govern customs, income tax and sales tax may seem small in volume to consume but the underlying bedrock of understanding lies in a foolproof understanding of business transactions and the contours of the business models. Inference in the usage of these three financial laws comes from the understanding of accounting standards and business models. It would be a tall order to expect that a book would serve the candidate at this rudimentary stage to capitalise on learning, understanding and accurately inferring these financial laws. Nevertheless, the intention throughout the creation of the contents of this book has been to serve this purpose.

The book contains various chapters which have been divided into sections. A brief introduction to the chapters has been added to familiarize the candidates with the philosophical gist of the issue at hand. Multiple-choice questions have been written in a manner so that understanding gleaned through reading can be put into practice. Lastly, model questions have been included as a reference for candidates to prepare themselves for the exam day.

Akbar Mayo
12th August, 2021

A taxation model is the microcosm representation of the governance model of a country. Pakistan scores poorly on the track record of delivering governance and an efficient taxation system. Pakistan has an unenviable Tax to GDP ratio falling within the bracket of 10-12 percent. Historically, there has been a debate about whether to tax and stagger development or to give away tax credits and boost economic growth. The dilemma haunting Pakistan is that it experiences bouts of growth whereas insatiable demand for taxation stays put. Realistically speaking a fragile economy with various intricate exigencies and dependencies needs a fair tax system.

The tax bureaucracy and machinery is fraught with endogenous and exogenous issues of crumbling office procedures, limited access to records, inordinate delays, malfeasance and lack of trust inspired in the tax system. The country seriously lacks a tax culture and awareness on tax transactions. Someone once said that it is no job of a taxman to dictate the contours of business growth through rigorous or regressive taxation. The link missing between taxation and business development is the role taxation has been unable to play in translating into the welfare of the people at large.

Despite the unpalatable urge to impose taxes by the state, various steps can be taken to harmonies taxation and inculcate a culture of trust between the state and the citizenry and the state each to their own advantage. A state cannot thrive without taxation and an individual or business cannot survive without state welfare. The legacy of taxation in the development of nations cannot be overemphasized. As a fact check, countries with high development index and a healthy wealth gap between the haves and the have nots have more efficient taxation systems as compared to those who don't.

This book is in continuation of the vision I have imparted to officers as I served as a taxation officer. I am of the firm opinion that taxation holds prime importance in the development of Pakistan with the caveat that taxation should be efficient, friendly and foolproof. During the entire years of my service, I have served in different field formations and in different capacities which gave me a unique outlook toward the implication of imposition of taxes and their ultimate drag on different businesses.

Taxation is now the linchpin of Pakistan's Federal bureaucracy since the federation is left with two key field formation institutions namely FBR and Defense. FBR is now a modern organization with state-of-the-art automation and integrated management systems which cater to financial transactions running into billions of dollars through imports, exports and local currency inflows. The role of FBR as a tax levying organization has been enhanced manifold since public and private institutions are integrated with it. Public and private institutions act as withholding agents and collect taxes on behalf of the FBR and maintain a chain of accountability of collecting and deducting taxes which at the end are verified by the taxman. As a matter of debate the seed work for financial accountability is laid down within the taxation system wherein receipts are taxed and transactions are scrutinized. This has further paved the way for self-assessment wherein the state has entrusted the responsibility on the businesses and individuals to pay their share of taxes.

Dr Muhammad Irshad
Ex-Chairman FBR

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CONCEPTUAL KEY OF INCOME TAX

The Federal levy, *tax*, on income (Income Tax) is governed by the Income Tax Ordinance, 2001 and Income Tax Rules, 2002. This is an annual charge on income. This includes *taxable income*, *income subject to separate charge* and *income subject to final tax* of a *person* for a *tax year*, and also includes global income of the resident person, even if it has already been taxed outside of Pakistan.

"**Taxable Income**" means *total income* of the person for the year reduced by following deductible allowances.

- Zakat paid under the Zakat and Ushr Ordinance, 1980; (Zakat paid on a debt, the profit of which is chargeable to tax under the head "Income from Other Sources" is not deductible from total income. Such Zakat is an admissible deduction against profit on debt);
- Workers Welfare Fund paid under the Workers Welfare Fund Ordinance, 1971 (applies to certain specified industrial establishments); and
- Worker's Participation Fund paid under the Companies Profit (Worker's Participation) Act, 1968 (applies to companies only).
- Deductible allowance for Profit on debt paid by a individual taxpayer to any scheduled bank or any non-banking financial institution against a loan for construction of a new house of acquisition of a house.
- Education expenses for education of children is allowed as deductible allowance for individual taxpayers having taxable income less than one and a half million rupees.

"**Total Income**" is the aggregate of income chargeable to tax under each *head of income*:

Heads of Income

Under the Income Tax Ordinance, 2001, all incomes are broadly divided into following five heads of income:

- Salary;
- Income from property;
- Income from business;
- Capital gains; and
- Income from other sources;

Dividend, royalty, profit on debt, rent from sub-lease of land or building, income from lease of any building together with plant machinery, prize on bonds, winnings from a raffle, lottery or crossword puzzle, or profit on *loan, advance, deposit or gift*.

Income under these heads collectively taxed except income subject to separate block, income subject to fixed and final tax. For instance, Income from Property is a head of income however it is taxed as separate block of income. We cannot club income from property and income from business and then apply a single tax rate on the total taxable income. Similarly, there are certain incomes which are subject to fixed and final tax.

After calculating total income, taxable is calculated.

Taxable income refers to as **taxable income** excluding **separate block of income** subject to fixed tax and income subject to final tax.

Determination of income chargeable to Tax

Different set of rules apply for determination of income chargeable to tax under each head of income. These are briefly explained below.

Generally, income under a head of income is the total of the amounts derived as reduced by the admissible deductions (expenditure) against such income, if any.

Expenditures attributable to exempt income, income subject to separate charge, income subject to final tax (and separate block of income) are not deductible against income chargeable to tax as total income/taxable income.

Chargeable income under each head of income is further dependent on the residential status of a taxpayer. In case of resident, it is both Pakistan source income and foreign source income, while in case of non-resident it is restricted to Pakistan source income only.

"Resident"

- An association of persons is resident for a tax year if the control and management of its affairs is situated wholly or partly in Pakistan at any time in that year,
- A company is resident for a tax year if –
 - it is incorporated or formed by or under any law in force in Pakistan;
 - the control and management of its affairs is situated wholly in Pakistan at any time in the year; or
 - it is a Provincial Government or a local Government in Pakistan.
- An individual is resident for a tax year if He/she
 - is present in Pakistan for a period of, or periods amounting in aggregate to, 183 days or more in the tax year; or
 - is present in Pakistan a period of, or periods amounting in aggregate to, 120 days or more in the tax year, and in four preceding years has been in Pakistan for a period

of or periods amounting in aggregate to 365 days or more

- is an employee or official of the Federal Government or a Provincial Government posted abroad in the tax year

In order to compute the number of days an individual is present in Pakistan in a tax year, the following rules apply: -

- A part of a day that an individual is present in Pakistan (including the day of arrival in, and the day of departure from Pakistan) counts as a whole day of presence; However, a day or part of a day where an individual is in Pakistan solely by reason of being in transit between two different places outside Pakistan does not count as a day present in Pakistan.

• Following days in which an individual is wholly or partly present in Pakistan count as a whole day of presence:-

- a public holiday;
- a day of leave, including sick leave;
- a day that the individual's activity in Pakistan is interrupted because of a strike, Jock-cut or delay in receipt of supplies ;or
- a holiday spent by the individual in Pakistan before, during or after any activity in Pakistan.

"Non-Resident" - An association of persons, a company and an individual are non-resident for a tax year if they are not resident for that year.

"Pakistan source income" is defined in section 101 of the Income Tax Ordinance, 2001, which caters for incomes under different heads and situations. Some of the common Pakistan source incomes are as under: -

- Salary received or receivable from any employment exercised in Pakistan wherever paid,
- Salary paid by, or on behalf of, the Federal Government, a Provincial Government or a local Government in Pakistan, wherever the employment is exercised,
- Dividend paid by resident company,
- Profit on debt paid by a resident person;
- Property or rental income from the lease of immovable property in Pakistan;
- Pension or annuity paid or payable by a resident or permanent establishment of a non-resident;

"Foreign source income" is any income, which is not a Pakistan source income.

"Person" means:

- An individual;
- A company or association of persons incorporated, formed, organized or established in Pakistan or elsewhere;
- The Federal Government, a foreign government, a political subdivision of a foreign government, or public international organization

"Company" means-

- A company as defined in the Companies Ordinance, 1984 (XLVII of 1984) or Companies Act 2019;
- A body corporate formed by or under any law in force in Pakistan;
- A modaraba;
- A body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;

- co-operative society, a finance society or any other society;
- a non-profit organization;
- a trust, an entity or a body of persons established or constituted by or under any law for the time being in force.
- A foreign association, whether incorporated or not, which the Board has, by general or special order, declared to be a company for the purposes of this Ordinance;
- A Provincial Government;
- A Local Government in Pakistan;
- A Small Company

"Association of persons" includes a firm (the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all), a Hindu undivided family, any artificial juridical person and any body of persons formed under a foreign law, but does not include a company.

"Tax Year" is a period of twelve months ending on 30th day of June i.e. the financial year and is denoted by the calendar year in which the said date falls. For example, tax year for the period of twelve months from July 01, 2020 to June 30, 2021 shall be denoted by tax year 2021 and the period of twelve months from July 01, 2021 to June 30, 2022 shall be denoted by tax year 2022. It is called Normal Tax year.

Tax year includes **special tax year**, which means any period of twelve months and is denoted by the calendar year relevant to the normal tax year in which closing date of the special tax year falls. For example, tax year for the period of twelve months from January 01, 2020 to December 31, 2020 shall be denoted by tax year 2021 and the period of twelve months from October 01, 2020 to

September 30, 2021 shall be denoted by tax year 2022.

A person or class of persons may shift from Normal to Special Tax year or vice versa subject to the conditions specified under section 74 of the Income Tax Ordinance, 2001

Income subject to a separate charge, which do not form part of total income or taxable income and are subject to tax on the basis of gross income, e.g.:-

- Dividend.
- Royalty of non-resident;
- Fee for technical services of non-resident.
- Shipping income of non-resident; and
- Air transport income of non-resident.

Income subject to Final Tax Incomes which are subject to collection or deduction of tax at source and such tax collected or deducted at source is treated as final tax liability in respect of such income e.g.:

- Income arising from business on account of
 - Sale of Imported of goods;
 - Execution of contracts by non-residents
 - Insurance and re-insurance premiums received by non-residents
 - Any other amounts received by a nonresident (profit on debt)
 - Supply of goods (other than by manufacturers);
 - Execution of contracts by a Resident
 - Services of stitching, dying, printing, embroidery, washing, sizing and weaving
 - Media services by non-residents
 - Export realization (goods)

- Commission / discount on petroleum products
- Brokerage and commission;
- Plying of goods transport vehicles; and
- Natural Gas Consumption (CNG Stations).
- Income arising from other sources on account of:
 - Profit on debt; (except derived by a company) and
 - Prizes and winnings.

"Separate block of income" are those, which are chargeable to tax under the respective head of income (salary, business, capital gains and other sources) but for the purposes of calculation of tax such incomes are excluded from the taxable income and tax thereon is calculated and charged at varying rates depending on the nature of each such income e.g.:-

- Income arising from salary in respect of:
 - Retirement or termination benefits of an employee;
 - Arrears of salary of an employee; and
 - Flying and submarine allowance of certain employees
- Income; (except self-hiring see "self-hiring" on next pages)
- Business income:
 - From services rendered outside Pakistan;
 - From construction contracts executed out-side Pakistan;
 - Of certain manufacturers of cooking oil or vegetable ghee or both; and
 - Of resident from shipping business.

- Capital gains from
 - Sale of securities; and
 - Sale of shares or assets by a private limited company to Private Equity and Venture Capital Fund

"Tax" is the amount computed by applying the applicable rate of tax, on *taxable income*, income subject to a separate charge, income subject to final tax and separate block of income subject to fixed tax.

"Income tax" payable on *taxable income* is

- Gross income tax (Calculated on taxable income by applying applicable rate of income tax); as reduced by the following -
 - Reductions in tax liability minus- Foreign tax credit
 - minus - Tax credits on donations, investments etc.
 - minus- Tax credit on exempt share from association of persons

To arrive at the net income tax payable or refundable, *income tax payable* determined as above is reduced by:

- Advance tax already paid; and
- *Adjustable tax paid through deduction at source.* (If it is not final tax liability paid through deduction)

Agricultural Income is chargeable to tax (Agricultural Income Tax) separately by the respective Provincial Governments and hence is specifically declared exempt from levy of tax under the Income Tax Ordinance, 2001, if agriculture tax is paid. Accordingly, such income does not form part of *total taxable income*.

"Agricultural income" is defined broadly to include direct and indirect income from land situated in Pakistan used for agriculture purposes. Rental income for the use

of cultivated land and rent of a building on or in the vicinity of cultivated land occupied by the cultivator or by the receiver of rental income from cultivated land are some of the examples of indirect agriculture income. Income from fruit or vegetable fanning etc. and Sale of trees is exempt in the hands of grower as Agriculture income. However, Income from sale of trees/vegetables or agri-produce are taxable in the hands of non-growers e.g "Arthis".

Some Important Provisions of Law which a Taxpayer should know

- Obligations to pay or collect tax.
- Inadmissible deductions against income chargeable to tax:
 - Payment for purchases or of salary, rent, brokerage or commission, profit on debt, payment to non-resident, payment for services or fee from which tax is required to be deducted and paid to state but is **not deducted or paid**
 - Fine or penalty paid for the violation of any law, rule or regulation.
 - Personal expenditures like residential expenses, education, etc.;
 - Salary paid exceeding Rs. 25,000 per month other than by a crossed cheque or direct transfer of funds to the employee's bank account;
 - Expenditure of a capital nature on Depreciable Asset except depreciation and amortization on certain specified tangible Depreciable Assets and intangible assets;
 - Expenditure exceeding Rs. 25,000 incurred and paid under a single account head in a year otherwise than by a crossed cheque drawn on a bank or by crossed

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bank order or crossed pay order or any other **crossed banking instrument** showing transfer of amount from the business bank account of the taxpayer

However, this does not apply to the following:

- Where expenditures under a single account head in aggregate does not exceed Rs.250,000;
- Expenditures on account of -
 - Utility bills;
 - Freight charges;
 - Travel fare;
 - Postage;
 - Payment of taxes, duties, fee, fines or any other statutory obligation; and
 - expenditure on salary paid exceeding 25,000 paid through direct transfer of funds through normal banking
 - expenditure of sales promotion and advertisement up to ten per cent of turn over by pharmaceutical manufacturers.

Crossed banking instrument includes online transfer of payment from the business account of the payer to the business account of payee as well as payments through credit card, subject to the condition that such transactions are verifiable from the bank statements of the respective payer and the payee.

Apportionment of expenditures – Where expenditure relates to –

- The derivation of income from more than one heads of income;
- Derivation of income comprising of taxable income and/or income subject to separate charge and/or income subject to final tax and/or separate block of income; or

- The derivation of income chargeable to tax under a head of income and to some other purpose, the expenditure has to apportioned on any reasonable basis taking account the relative nature and size of the activities to which the amount relates. Rule 13 of the Income Tax Rules, 2002 specifies how to apportion such common expenditures.

Tax having been deducted at source does not absolve from filing a tax declaration or a tax return. Therefore return filing is a mandatory requirement wherever it arises.

Loan, advance, deposit or gift received from another person otherwise than:

- By a crossed cheque drawn on a bank; or
 - Through a banking transaction from a person holding a National Tax Number Certificate;
- is treated as income chargeable to tax under the head "income from other sources".

The purpose is to document the transactions of loan, advance, deposit or gift reflected in the books of account, wealth statement or reconciliation of wealth. The following transactions, however, are excluded:

- Loan, advance or deposit received from a banking company or an institution notified under the Companies Ordinance, 1984 by the Federal Government in the official gazette as a 'financial institution'; or
- Advance payment for the sale of goods or supply of services.

Self-hiring - When an employee gives on rent any building (house/flat/apartment etc.) owned by him or any of his/her family members to the employer and the employer provides the same against the employee's entitlement for a rent free accommodation or housing, it results into

- Provision of a perquisite (rent free accommodation or housing) by the employer to the employee chargeable as income from "salary", and
- Receipt of rent of land or building by the employee or any of his/her family members, as the case may be, chargeable as income from "property" in the hands of the owner.

Recouped expenditure or loss is the income of the tax year in which it is received in cash or in kind and chargeable under the head of income where deduction for such expenditure or loss was allowed in computing the chargeable income of an earlier year.

Double derivations and double deductions- Any amount chargeable to tax on the basis of being receivable shall not be again chargeable on the basis that it is received or vice versa. Similarly any expenditure deductible on the basis of being payable shall not be again deductible on the basis that it is paid or vice versa.

INCOME TAX DEFINITIONS

In income tax ordinance, certain terms and names have specific connotation. Therefore, like other statutes, certain terms or eventualities have categorically been defined to avoid confusion or ambiguity. For rest of terms, one can refer to other laws or General Clauses Act.

For instance, for the purpose of tax, tax year has special meaning. Therefore, while understanding or applying the law, we have to strictly adhere to the meaning of tax year given in the section 2 of the Income Tax Ordinance 2001.

Understanding of definition is the first thing one must do before doing anything related to the law.

There are two types of definition: Exclusive and Inclusive.

Exclusive Definition: These are exhaustively and completely defined in the law. These begin with the words "Notwithstanding" or "means". If a definition begins with the word means, it means the only meaning mentioned in the very definition. Not less not more. The general meanings of the word may vary across laws, regions or situations but the words defined with "means" are completely defined without a margin of stretching.

The words or terms defined with the word "includes" are inclusive definition which means there is a margin of imagining the other meanings relating to the term.

MCQs

- Assessment includes:
 - Provisional Assessment
 - Re-assessment
 - Amended Assessment
 - All of above.
- Assessment Year means:
 - A period of twelve months starting from 1st July

- Assessment year as defined in the repealed Ordinance
 - Both of the above.
 - None of the above
- Association of Person (AoP) means:
 - A Firm
 - A Hindu Undivided Family
 - Any artificial person or anybody of person formed under foreign law
 - All of the above
- Who heads a field formation?
 - Chief Commissioner
 - Commissioner
 - Director General
 - None of above
- Chief Commissioner is appointed u/s _____ of the Income Tax Ordinance 2001.
 - 201
 - 203
 - 204
 - 208
- Company includes:
 - A Company as defined in Companies Act 2017
 - A body corporate formed by or under any law in force in Pakistan
 - A modaraba, a body incorporated by or under the law of a country outside Pakistan relating to incorporation of Companies
 - All of above
- A co-operative society, a finance society or any other society is a _____ under Income Tax Ordinance 2001:
 - Company

- Association of Person
 - Both a & b
 - None of the above.
- A non-profit organization is a _____ under the Income Tax Ordinance 2001.
 - Company
 - Association of Person
 - Both a & b
 - None of the above
- A trust, an entity or a body of person established or constituted by or under any law for the time in force is a _____ under the Income Tax Ordinance 2001.
 - Company
 - Association of Person
 - Both a & b
 - None of the above.
- A provincial government is _____ under the Income Tax Ordinance 2001.
 - Company
 - Association of Person
 - Individual
 - None of the above.
- A Local Government in Pakistan is _____ under the Income Tax Ordinance 2001.
 - Company
 - Association of Person
 - Individual
 - None of the above
- A firm means the relation between persons:
 - Who have agreed to share the profits of a business carried on by all or any of them acting for all?
 - Who have agreed to work for third person without sharing profits?
 - Who renders services without financial gain?
- Who are blood relatives?
 - Used in the production process
 - Consumed by the end consumers
 - Sold at registered business places
 - None of the above
- Consumer goods are goods _____.
 - Total Income
 - Taxable Income
 - Final Income
 - Fixed Income
- Deductible Allowance is an allowance deducted from _____.
 - Total Income
 - Taxable Income
 - Final Income
 - Fixed Income
- Depreciable asset means any tangible moveable property, immovable property or structural improvement to immovable property, owned by a person that:
 - Has normal useful life exceeding one year
 - Is likely to lose value as a result of normal wear and tear
 - Is used wholly or partly by the person in deriving income from business chargeable to tax
 - All of above.
- Dividend includes:
 - Any distribution by a company of accumulated profits to its shareholders
 - Any distribution by a company to its shareholders of debentures
 - Any distribution made to the shareholders of a company on its liquidation
 - Any distribution by a company to its shareholders on the reduction of its capital
 - All of above
- Employee means:
 - An individual providing services to others

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- b. Any individual engaged in employment
- c. Any individual doing his business
- d. None of the above.
18. Foreign source income is:
- a. Any income derived from abroad
- b. Any income which is not Pakistan-source income
- c. Any income of a foreigner working in Pakistan
- d. All of the above
19. Greenfield Industrial Undertaking means _____, if approved by the Commissioner.
- a. A new industrial undertaking which is set up on previously unused land for commercial purpose
- b. A new industrial undertaking built without demolishing, revamping, renovating, upgrading, remodeling or modifying any existing structure, facility or plant
- c. A new industrial undertaking not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of new business and is not part of an expansion project
- d. A new industrial undertaking using any process or technology that has not earlier been used in Pakistan and is so approved by the Engineering Development Board
- e. All of the above.
20. Income for the purpose Income Tax Ordinance 2001, includes:

- a. Any amount chargeable to tax under ITO 2001
- b. Any amount subject to collection or deduction of tax under section 148, 150, 152(1), 153, 154, 156, 156A, 233, 233A
- c. Any loss of income
- d. All of the above.
21. An Industrial Undertaking is an undertaking which is set up in Pakistan and which employs:
- a. 10 or more persons and involves the use of electrical energy or any other form of energy which is mechanically transmitted
- b. 20 or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted
- c. Both of above
- d. None of above.
22. An industrial undertaking must engage in _____.
- a. The manufacture of goods
- b. Ship building
- c. Generation, conversion, transmission or distribution of electrical energy or the supply of power
- d. The working of any mine, oil-well or any other source of mineral deposits
- e. Any of above.
- f. None of above
23. Intangible includes:
- a. Any patent, invention, design or model secret, formula
- b. Any process, copyright
- c. Property, right or contractual right
- d. Both A & B
- e. All of above

24. KIBOR meaning:
- a. Karachi Interbank Offered Rate
- b. Karachi Islamabad Board of Revenues
- c. Karachi Intercooled Office Rate
- d. None of the above.
25. IRIS means _____
- a. A flower
- b. A web-based computer program for operation and management of Inland Revenue taxes
- c. Inland Revenue Information System
- d. None of the above.
26. Non-Profit Organization means any person other than individual, which is-
- a. Established for religious, educational, charitable, welfare or for the promotion of an amateur sport.
- b. Formed and registered under any law as a non-profit organization
- c. Approved by the commissioner for specified period
- d. Both A & C
- e. All of the above.
27. A person shall be resident person for a tax year if the person is _____
- a. A resident individual, resident company or resident AOP for the tax year
- b. The Federal Government
- c. Working in Pakistan
- d. Both A & B
28. A person shall be non-resident for a tax year if the person _____
- a. Is not a resident person for that year
- b. Jobs Test Preparation not Pakistani
- c. Both A & B
- d. None of the above
29. An individual shall be resident individual for a tax year if the individual _____
- a. Is present in Pakistan for a period of, or periods amounting in aggregate to 183 days or more in the tax year
- b. Is present in Pakistan for period or, or periods amounting in aggregates to, 120 or more in the tax year and in the four years preceding the tax year, has been in Pakistan for a period of, or periods amounting to aggregate to 365 days or more.
- c. Is an employee or official of the Federal Government or a provincial government posted abroad in the tax year.
- d. All of the above
30. Principle Officer includes:
- a. A director, manager, secretary, agent, accountant of a company
- b. Any person connected with the management or administration of the company or AOP upon whom the Commissioner has served a notice of treating him as the Principal Officer.
- c. Both A & B
- d. None of the above.
31. Private company means a company that _____
- a. Is not a public company
- b. Is not registered
- c. Both A & B
- d. None of the above.

32. Public Company means:

- Jobs Test Preparation
- A company in which not less than 50% of shares are held by the federal/provincial government
 - A company in which not less than 50% share are held by a foreign government
 - A company whose shares were traded on a registered stock exchange
 - A unit trust whose units are widely available to the public and any other trust as defined in the Trust Act
 - All of the Above.

33. Rent means _____

- Any amount received or receivable by the owner of land as consideration for the use or occupation of or the right to use or occupy the land.
- Any amount received or receivable by the owner of building land as consideration for the use or occupation of or the right to use or occupy the building.
- Any forfeited deposit paid under a contract for the sale of land or building
- All of the above.

34. Small Company means a company registers on or after the 1st July 2005 under the Companies ordinance which:

- Has paid up capital plus undistributed reserves not exceeding 50 million Rs.
- Has employees not exceeding 25 during the year.
- Has annual turnover no exceeding 200 million Rs.
- Is not formed by the splitting up or the recantation of company already in existence.
- All of above.

35. Special Judge is a judge appointed under section _____ of the Income Tax Ordinance 2001.

- 203
- 205
- 208
- 211

36. Stock in trade means anything _____

- Produced
- Manufactured
- Purchased or otherwise acquired for manufacture, sale or exchange and material or supplies to be consumed in the production or manufacturing process.
- All of above

37. Taxpayer means any person _____

- Who derives amount chargeable to tax under the ITO 2001
- Acts as representative of taxpayer
- Who is required to deduct or collect tax under Part V of Chapter X
- Who is required to furnish a return of income or pay tax under the Ordinance
- Both A & B
- Both A & C
- All of above.
- None of Above

38. Tax Year is defined in section _____ of the Income Tax Ordinance 2001.

- 74
- 78
- 82
- 86

39. Tax year is period of 12 months ending on _____

- 1st July

- 30th June
- 31st December
- 1st Jan

40. Normal Tax Year starts on _____

- 1st July
- 1st Jan
- 30th December
- 30th June

41. Special Tax year is a period of twelve months as allowed under sub-section 3 of section _____ of ITO 2001.

- 74
- 75
- 76
- 77

42. Who can authorize a taxpayer to use special tax year?

- Commissioner
- The Board
- Prime Minister
- Chief Justice
- Both A & B

43. Turnover means:

- The gross sales or gross receipts, exclusive of Sales Tax and Federal Excise Duty or any trade discounts shown on invoices or bills, derived from the sale of goods, and also excluding any amount taken as deemed income and is assessed as final discharge of the tax liability for which tax is already paid or payable.
- The gross fees for the rendering of services for giving benefits including commissions; except covered by final discharge of tax liability for which tax is separately paid or payable
- The gross receipts from the execution of contracts; except covered by final discharge of

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tax liability for which tax is separately paid or payable

- The company's share of amounts stated above of AOP of which the company is a member
- Both A & B
- Both A & C
- All of the above
- None of the above

44. Under section 83, a company shall be a resident company if:

- It is incorporated or formed by or under any law in force in Pakistan
- The control and management of the affairs of the company is situated wholly in Pakistan at any time in the year
- It is provincial government or local government in Pakistan
- All of above
- Both A & B

45. Under Section 84, An AOP shall be resident if:

- The control and management of the affairs of the company is wholly situated in Pakistan at any time in the year
- The control and management of the affairs of the company is partly situated in Pakistan at any time in the year.
- Both A & B
- None of the above.

46. Permanent establishment in relation to a person means _____

- A fixed place of business through which the business of the person is wholly carried on
- A fixed place of business through which the business of the person is partly wholly carried on
- Both A & B
- None of the above.

- Jobs Test Preparation
47. Pre-commencement expenditure means any:
- Expenditure incurred before the commencement of a business wholly and exclusively to derive income chargeable to tax.
 - Cost of feasibility studies, construction of prototypes and trial production.
 - Expenditure which is incurred in acquiring land
 - Both A & B
 - All of the above.
48. Prescribed means:
- As prescribed in the IT Rules 2002
 - As prescribed in the ITO 2001
 - As prescribed in the SRO
 - Both A & B
 - All of the above.

49. Schedule means a schedule to the ITO 2001 and there are _____ schedules.
- 4
 - 8
 - 9
 - 12
50. There are _____ Chapters in the ITO 2001
- 8
 - 9
 - 12
 - 13
51. There are _____ heads of Income under ITO 2001.
- 5
 - 6
 - 7
 - 8

ANSWERS

1	d	12	a	23	d	34	e	45	C
2	b	13	b	24	a	35	a	46	C
3	d	14	a	25	b	36	d	47	D
4	a	15	d	26	e	37	g	48	A
5	d	16	e	27	a	38	a	49	C
6	d	17	b	28	a	39	b	50	D
7	a	18	b	29	d	40	a	51	A
8	a	19	e	30	c	41	a		
9	a	20	d	31	a	42	a		
10	a	21	c	32	e	43	g		
11	a	22	e	33	d	44	d		

TAX ON TAXABLE INCOME

Chapter III deals with "Tax on Taxable Income". This is the most important part of law wherein different instances of taxation of various types of activities have been discussed in an elaborate manner.

It is divided into 10 Parts.

- > Part 1: Computation of taxable Income
- > Part 2: Head of Income: Salary
- > Part 3: Head of Income: Income from property
- > Part 4: Head of income: Income from business
- > Part 5: Head of income: Capital gains
- > Part 6: Income from other sources
- > Part 7: Exemptions and tax concession
- > Part 8: Losses
- > Part 9: Deductible allowances
- > Part 10: Tax credits

Income and Heads of Income

Sec. 9 defines taxable income as under:

$$\text{Taxable Income} = \text{Total income} - \text{deductible allowances}$$

*But not below zero.

Sec. 10 deals with total income

It is sum of income under all heads of income

Sum of income exempt from tax

Sec. 11 Heads of Income

- Salary
- Income from Property
- Income from Business
- Capital Gains

- Income from Other Sources

Resident person's Income = income from Pakistani sources + Income from foreign source

Non- Resident person's Income = Income from Pakistani source

MCQs

- Taxable income shall be income under the heads of income
 - Salary, property
 - Business, capital Gain
 - Other Sources
 - All of above
- Taxable income shall be income under all heads of income reduced by
 - Expenditure
 - Deductible allowances
 - Tax credits
 - Refund
- Total income is the sum of
 - Pakistani income and foreign income
 - Pakistani income and exempt income
 - Taxable income and Exempt income
 - Pakistani income and taxable income
- Purposes of heads of income are
 - Imposition of tax
 - Computation of taxable income
 - Both a and b
 - None of the above
- There are ___ heads of income
 - 4
 - 5
 - 2
 - 1

6. All income shall be classified under the heads namely
 - a. Salary, Income from property
 - b. Income from business, other sources
 - c. Capital gains
 - d. All of the above
7. The income of a person under a head of income for a tax year shall be total amounts derived reduced by
 - a. Deductible allowances
 - b. Tax credit
 - c. Admissible deductions
 - d. refund
8. If amount of total deductions allowed exceed the income under any head it shall be treated as
 - a. carry forward
 - b. loss
 - c. brought down
 - d. deductible allowance

9. income of a resident person under a head of income shall be computed by taking into accounts amount(s)
 - a. Pakistan source income
 - b. Foreign source income
 - c. Both a and b
 - d. None of above
10. Income of non- resident person under a head of income shall be computed by taking into account
 - a. Pakistan source income only
 - b. Foreign source income only
 - c. Both a and b
 - d. None of above

ANSWERS

1	2	3	4	5	6	7	8	9	10
D	B	C	C	B	D	A	B	C	A

INCOME FROM SALARY

Sec 12. Salary

According to Sec 12(2) salary means amount received by an employee from employer whether of a revenue or capital nature

Salary includes. Pay, wages, leave pay, payment in lieu of leave, overtime, bonus, commission, fee, gratuity, working condition supplement, cost of living, any perquisite, rent utilities, education, entertainment and traveling.

But not include any allowance solely expended in the performance of duties

Sec 12(2e)

Any profit in lieu of or in addition to salary including consideration for agreement to enter into employment relationship, on termination voluntary or agreed payment, golden handshake.

Sec12 (2e)(iv) provident to the extent to which the employee has not contributed (employer's contribution towards provident fund, pension fund, annuity shall be include in the person's income from salary)

Sec12(3) where employer pay the tax on employee's income the salary amount shall be grossed up by the amount of tax paid or payable by the employer.

Sec12 (6) termination benefits including golden handshake shall be taxed as follow

A/B%

A= Total tax payable / paid in preceding three years

B= Total taxable income for preceding three years

Sec 12(7) in case of arrears of preceding years received the person by a notice in writing to commissioner elect the said amount to be taxed at the rate of tax of the year in which service was rendered.

Sec 13. Value of perquisites

(Perquisites means facilities other than pay and allowances)

Sec 13(3) if motor vehicle is provided wholly or partly for the private use amount shall be computed as may be prescribed

Sec13(5) in case domestic assistant i.e., house keeper, Gardner, driver etc provided; their salaries deducting the amount paid by the employee to employer for the services of domestic assistant if any, shall be charges under income from salary.

Sec13 (6). If utilities provided by employer fair market value of those utilities reduced by payment made by employee for the utilities.

Sec13(7) if loan in provided by employer to employee

If without profit then profit on bench mark rate shall be chargeable to income of the person

If loan exceeding five hundred thousand and rate of profit is less than the benchmark then the difference of amount paid and profit at bench mark rate shall be included in the income.

Sec13 (8) where employee uses loan to acquire asset or property producing income, chargeable to tax under any head of income shall be treated as profit paid at benchmark rate.

Sec 13(9) if the amount of loan due to be paid by employee to employer if waived then the same shall be included in the taxable income under income from salary.

Sec 13(10) any obligation of employee paid by the employer, shall be included in the taxable income of the employee under the head income from salary.

Sec 13(11) property transferred or services provided by employer, fair market value shall be added into taxable income of the employee under income from salary.

Sec 13(12) if accommodation is provided then amount shall be computed as prescribed under law.

Sec 13(14)(a) bench mark means 5% for tax year starting 1st July 2002 and 1% above for every successive year but not exceeding 10% per annum.

Sec 13 (14) (c) utilities include electricity, gas, water and telephone.

Sec 14 employee share scheme

It shall only be chargeable to tax if employee has a free right to transfer or when disposed the shares other waive share scheme shall be chargeable to tax.

Sec 14(5) when employee disposes of the right to acquire shares under employee share scheme then amount chargeable to tax under salary shall be calculated as follow.

A-B

A= consideration receive for disposal of right or option

B= Employee's cost in respect of right or option.

Sec 14(6) employee share scheme means agreement or arrangement under which a company may issue shares to employees of the company or associated company or the trustee under trust dead and trustee may transfer the shares to an employee of the company of employee of associated company.

MCQs

- Salary means _____
 - Any amount received by an employee from any employment, whether revenue or capital nature.
 - Any amount received for services from any person.

- Both A & B
 - None of the above.
- Salary includes _____
 - Any pay, wages, leave pay, payment in lieu of leave, over time, bonus, commission, fees, gratuity.
 - Any perquisites
 - Any allowance
 - Reimbursement of expenditure
 - Both A & C
 - All the above.
 - Following amounts also constitute salary:
 - Consideration for person agreement to enter into employment relationship
 - Consideration for an employee's agreement to any of employment conditions
 - Employment Termination benefits
 - Golden handshake payments
 - Payment from provident fund beyond employee contribution
 - A, B, C & D
 - All of the above
 - Pensions and annuity are _____ income.
 - Salary
 - Other Sources
 - Exempt
 - All of above.
 - Tax chargeable on an employee's salary also becomes the part of salary if;
 - Paid by the employer
 - Paid by someone else
 - Refunded by FBR
 - None of above.
 - Deduction of expenditure against salary income is _____
 - Not Allowed
 - Allowed to the extent of Salary
 - Both A & B
 - None of the above.

- An amount or perquisite shall be treated as received by an employee from any employment if paid:
 - By the employer
 - By the associate of employer
 - By a third party under arrangement with the employer
 - By a past employer
 - All of the above.
- Section _____ of the ITO 2001 deals with Salary.
 - 10
 - 11
 - 12
 - 15
- If a motor vehicle is provided by an employer to an employee wholly for private use of the employee, _____ of the cost to the employer for acquiring the motor vehicle or fair market value of the motor vehicle if the motor vehicle is on lease.
 - 5%
 - 10%
 - 15%
 - 20%
- If a motor vehicle is provided by an employer to an employee partly for private use of the employee, _____ of the cost to the employer for acquiring the motor vehicle or fair market value of the motor vehicle if the motor vehicle is on lease.
 - 5%
 - 10%
 - 15%
 - 20%
- Provision of free medical or reimbursement of medical expense is _____.
 - Exempt
 - Taxable
- Exempt if treatment obtained from a registered facility.
 - None of above.
- Any medical allowance is _____ if it does not exceed 10% of basic salary and the facility of free medical treatment or reimbursement of expenses is not provided.
 - Exempt
 - Taxable
 - Exempt if treatment obtained from a registered facility.
 - None of above.
- The valuation of accommodation for purpose of inclusion into salary where accommodation is provided by the employer shall be:
 - Equal to the amount as would have been paid to the employee if accommodation was not paid.
 - Not be less than 45% of the basic
 - Both A & B
 - None of the above
- Salary is taxed on receipt basis however it can be taxed on due basis if the Commissioner is satisfied that:
 - Some salary in the past was paid later and escaped taxation.
 - This should be taxed
 - Both A & B
 - None of the above.
- Tax on salary is deducted under section _____ of the ITO 2001.
 - 12
 - 13
 - 149
 - 153
- Salary paid by or on behalf of Federal Government, a provincial government or a local government in Pakistan is _____ if paid abroad.
 - Foreign Source Income

- b. Pakistan Source Income
 - c. Exempt
 - d. None of the above.
17. The rate of tax on arrears of Salary may be _____.
- a. The Current Rate
 - b. The Rate for the period arrears belongs to.
 - c. Average Rate
 - d. None of the above.
18. In case a salaried individual receives two pensions:
- a. The higher of the pensions will be taxed
 - b. The lower of the pensions will be taxed
 - c. Both will remain exempt
 - d. Both will be taxed equally.
19. Provident fund is exempt from tax except
- a. Provident Fund government under Provident Funds Act 1925
 - b. Recognized Provident Fund
 - c. Unrecognized Provide Fund
 - d. All of the above.
20. Where a citizen of Pakistan leaves Pakistan during a tax year and remains aboard during that tax year, any income chargeable under the head Salary earned by him outside Pakistan during that year shall be _____
- a. Taxable
 - b. Exempt
 - c. Partially Taxable
 - d. Partially Exempt
21. The Salary of Employees of United Nations is _____
- a. Exempt from Tax
 - b. Taxable
 - c. Taxable if they are resident
 - d. Exempt if they are non-residents

22. The salary received by the employees of foreign government is _____
- a. Exempt from Tax
 - b. Taxable
 - c. Taxable if they are resident
 - d. Exempt if they are non-residents
23. Salary income of non-Pakistan employees of Agha Khan Development Network _____
- a. Exempt from Tax
 - b. Taxable
 - c. Taxable if they are resident
 - d. Exempt if they are non-residents
24. Tax concession to a full-time teacher, researcher employed in a non-profit education or research institution duly recognized by HEC is _____.
- a. 25%
 - b. 35%
 - c. 40%
 - d. 45%
25. Any income chargeable under the head salary received by a Pakistani sea farer is exempt if:
- a. He is working on Pakistan flag vessel for 183 days or more during the year.
 - b. He is working on a foreign vessel and the income is remitted to Pakistan within two months of receipt.
 - c. Both A & B
 - d. None of the above.
26. Any special allowance to meet expenses wholly and necessarily incurred in the performance of duties of an office is exempt except:
- a. Entertainment Allowance
 - b. Conveyance Allowance
 - c. Perquisites Covered U/S 13
 - d. All of above.

27. Following perquisites received by an employee by virtue of his employment are exempt:
- a. Free for subsidized food provided by hotels and restaurants to its employees during duty hours.
 - b. Free or subsidized education provided by an educational institution to the children of its employees
 - c. Free or subsidized medical treatment by a hospital to its employees
 - d. Any other perquisite for which the employer does not have to bear any marginal cost.
 - e. All of the above.
28. The perquisite represented by the right to occupy free of rent residence is exempt for _____.
- a. President of Pakistan
 - b. Provincial Governors
 - c. Chiefs of Staff
 - d. All of above.
29. The perquisite represented by free conveyance provided and entertainment allowance granted by government is exempt from tax.
- a. Provincial Governors
 - b. The Chiefs of Staff
 - c. Corps Commanders
 - d. All of the above.
30. Where the taxable income in a tax year, other than income on which the deduction of tax is final, does not exceed one million rupees in the case of a taxpayer of the age of not less than 60 years, the tax liability on such income shall be reduced by _____.
- a. 25%
 - b. 50%
 - c. 100%
 - d. None of the above.
31. Where the taxable income in a tax year, other than income on which the deduction of tax is final, does not exceed one million rupees in the case of disabled taxpayer, the tax liability on such income shall be reduced by _____.
- a. 25%
 - b. 50%
 - c. 100%
 - d. None of the above.

ANSWERS

1	A	7	E	13	C	19	C	25	B
2	F	8	C	14	A	20	B	26	D
3	G	9	B	15	C	21	A	27	E
4	A	10	A	16	B	22	A	28	D
5	A	11	C	17	B	23	A	29	D
6	A	12	C	18	A	24	A	30	B

INCOME FROM PROPERTY

Sec 15. Income from Property

Rent received by a person other than exempted under Income Tax Ordinance 2001

Rent means any amount received or receivable by the owner as consideration for the use or occupation or right to use or occupy, includes the forfeited deposit under a contract of sale.

In case of lease of building together with plant and machinery shall be charged under income from other sources instead of income from property.

Sec (15)(3A) where any amount is included in rent received or receivable by a person for the provision of amenity, utility or other service connected with renting of building such amount shall be chargeable to tax under income from other sources.

Sec 15(4) rent chargeable to tax shall not be less than the fair market value if the rent is less than fair market value the amount chargeable to tax shall be the fair market value

Sec 15(5) if the fair market rent included in the income from salary, then it shall not be re- included in income from property (Example house acquisition).

Sec 15A (1) deduction allowed in computing income from property applied only to companies.

- Repairing 1/5 of the rent chargeable to tax
- Insurance premium.
- Local rates, tax, charges or cess
- Ground Rent
- Profit on debt if taken for mortgage to acquire, construct, renovate, extend or the reconstruct the property

- If constructed, acquired, reconstructed extended or renovated with the capital contribution of House Building Finance Corporation or any other scheduled bank then share in rent or appreciation excluding capital gain
- Interest on mortgage or loan.
- Any expenditure incurred to collect rent but not exceeding six percent.
- Legal charges to defend the title of the property
- Bad debts of unpaid rent for example defaulting tenant.

Sec 15A (2) if unpaid rent already deducted as allowance recovered that amount shall be chargeable to tax in the year in which the amount is recovered.

Sec 15A (3) if a deduction has been claimed to expenditure to drive the rent, and that expenditure wholly or partially not paid within three year from its due, the unpaid amount shall be included in the first tax year following the end of three years under income from property and shall be allowed as deduction when paid.

Sec15A (5) expenditure allowed as deduction under income from property shall not be allowed for deduction under any other head.

Sec 15A (6) Following deductions are not allowed

- Tax on Profit or gain in Pakistan or outside.
- Salary, rent, commission paid to non-resident.
- Fine or penalty for violation of law or rules.
- Personal expenditure.

- Any profit on debt, commission or salary or other remuneration paid by an AOP (Association of Person) to a member of it

Sec 16 non-adjustable amount received in relation to buildings

If non-adjustable amount is received, it shall be charged in ten equal parts, in year in which the amount is received and nine coming year in equal portions.

When advance is refunded before expiry of ten years no portion shall be allocated in the income chargeable to tax

If re-rented and advance received then reduce or adjust the portion of succeeding amount.

MCQs

1. Rent is taxed on _____ basis.
 - a. Receipt basis
 - b. Accrual basis
 - c. Both A & B
 - d. None of the above.
2. Rent is taxable under the _____.
 - a. Salary
 - b. Income from Business
 - c. Income From Other Sources
 - d. None of the above.
3. Rent for the purpose of Income of from Property does not include rent in respect of the lease of building together with
 - a. Plant and machinery.
 - b. Mortar
 - c. Brick
 - d. None of the above
4. If the person receiving the rent is not owner of property, the rental income will be included under the head:
 - a. Income from Property
 - b. Capital Gain
 - c. Income from Business
 - d. All of the above.

5. If the rent received or receivable by a person is less than fair market rent for the property
 - a. The person shall be treated as having derived the fair market value
 - b. The person shall be fined
 - c. The person shall be given a warning
 - d. All of the above
6. Section _____ of the ITO 2001 deal with Income from Property
 - a. 15
 - b. 16
 - c. Both A & B
 - d. None of the Above.
7. No tax is leviable on Income from Property if it does not exceed _____ and the person does not derive any other income:
 - a. 200,000
 - b. 300,000
 - c. 400,000
 - d. 500,000
8. Income from Property derived by a company will be treated under the head _____
 - a. Income from Property
 - b. Income from Business
 - c. Income From Other Sources
 - d. None of the above
9. In computing the income of only a _____ chargeable to tax under Income from property deduction for certain expenditures are allowed.
 - a. Individual
 - b. AoP
 - c. Company
 - d. Both A & B
10. In respect of repairs to a building, a deduction allowance equal to _____ of the rent chargeable to tax in respect of the building for year is allowed.
 - a. One Fifth
 - b. One Tenth

- c. One half
 - d. None of the above.
11. Any premium paid or payable by the company in the year to insure the building against the risk of damage or destruction is _____ as deduction while computing the income from property.
 - a. Fully Allowed
 - b. Partially Allowed
 - c. One-fifth Allowed
 - d. None of the above.
 12. Any local rate, tax (except tax paid under ITO 2001) charge or cess in respect of the property is allowed as deduction from the head Income from Property in the case of _____.
 - a. Individual
 - b. AOP
 - c. Company
 - d. All of the above.
 13. A _____ paid by the company in respect of property is also deductible allowance while computing the income from property.
 - a. Ground Rent
 - b. Publicity Charges
 - c. Construction Cost
 - d. None of the above.
 14. If the property is subject to mortgage, the amount of profit or interest paid on such mortgage is _____ as deductible allowance while computing the Income from Property.
 - a. Fully Allowed
 - b. Partially Allowed
 - c. On-Fifth Allowed
 - d. Not Allowed
 15. Administration and collection charges are allowed as admissible deduction to the extent of _____ of the rent received or receivable.
 - a. 4%
 - b. 5%
 - c. 6%
 - d. 10%
 16. Any expenditure incurred by the company for legal services acquired to defend the company's title to the property or any suit connected with the property in a court is _____ as deductible expenditure while computing the Income from Property.
 - a. Fully Allowed
 - b. Partially Allowed
 - c. One-Fifth Allowed
 - d. Not Allowed
 17. Irrecoverable rent is an admissible deduction allowance where:
 - a. The tenancy was Bonafide.
 - b. The company has taken all measure to recover the rent
 - c. The unpaid rent has been included in the income of the company
 - d. All of above
 18. If an unpaid rent is recovered later, it is _____.
 - a. Liable to be taxed in the tax year of recovery
 - b. Not taxable
 - c. Taxable in the year it pertains to
 - d. None of the above.
 19. Unpaid amount of liability claimed as deduction is liable to be added into income from property after _____ years.
 - a. 1
 - b. 2
 - c. 3
 - d. 4
 20. An expenditure allowed as deductions shall not be claimed as deduction:
 - a. In the next year
 - b. Under the other heads of income
 - c. Both A & B
 - d. None of the above.

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ANSWERS

1	C	6	C	11	A	16	A	21	B
2	D	7	A	12	C	17	D	22	A
3	A	8	A	13	A	18	A	23	C
4	C	9	C	14	A	19	A	24	C
5	A	10	A	15	C	20	C	25	B

21. The provision of Section _____ will also apply to deductions claimed under the head income from property.
 - a. 20
 - b. 21
 - c. 22
 - d. 23
22. Non-adjustable _____ amounts (Advances) received in relation to a building shall be treated as rent chargeable to tax under the Income from Property in the tax year in which it was received and the following nine tax years in _____.
 - a. Equal proportions
 - b. Full proportion
 - c. One fifth Proportion
 - d. One tenth Proportion
23. In case a tenant vacates the building before the expiry of ten years and the non-adjustable amount is returned to him, _____ will be made for that tax year and thereafter.
 - a. Non notional addition
 - b. Notional addition
 - c. No deduction
 - d. None of the above.
24. Any Income of _____ under the head Income from Property is exempt from tax.
 - a. A Trust
 - b. Welfare Institution
 - c. Non-Profit Organization
 - d. School
25. If a property is co-owned by two person and their shares are definite and ascertainable, such persons:
 - a. Shall be treated as AOP
 - b. Shall be separately assessed as per their share
 - c. Shall be treated as Firm
 - d. None of the above.

INCOME FROM BUSINESS AND GENERAL PRINCIPLES FOR DEDUCTION

Sec 18. Income from Business means:

Profit and gains on business carried on by a person any time in the year.

Income derived from trade, sale of goods or provision of services.

Any income from hire of tangible moveable property (vehicles).

Fair market value of benefits drawn from any business relation benefit also includes profit on debt or waiver part of debt or its profit.

Any management fee.

As per Sec 18(4), an amount received by banks or non-financial institutes where amount represent any mutual fund out of its income from profit on debt shall be charged under income from business.

Sec 19 Speculation Business

Speculation business means any business in which contract of sale and purchase of commodities including shares and stocks is settled periodically or ultimately otherwise then by the actual delivery

Speculation business shall be dealt separate from other business

In case of loss in speculation business the loss shall be adjusted with the income of speculation business only if loss is more than the income then loss shall be carried forward and to be adjusted the flowing tax year.

Speculation business does not include

- Future contracts for raw material or merchandise (Buy or sell in future on certain pre-decided rate)
- Future contracts for stocks and shares (Buy or sell in future on certain pre-decided rate)

- Forward contracts to guard the loss in stock exchange (if rate is less than the buying rate forward contract maker shall buy the same at the price he sold)

Sec 20

Generally following deduction are allowed:

- Any expenditure incurred
- Where animals used for business otherwise than stock in trade, died or permanently useless the actual cost less amount received or realized from carcasses (dead body, Skelton etc)
- Depreciation on depreciable assets
- Amortization of intangibles and pre commencement expenditure
- In case of amalgamation legal, financial advisory, planning and implementation of amalgamation cost.

Sec 21 Deductions not allowed

Following deductions are not allowed

- a) Tax on Profit or gain in Pakistan or outside
- b) Salary, rent, commission paid to non-resident
- c) Fine or penalty for violation of law or rules.
- d) Personal expenditure.
- e) Any amount carried to reserve fund or capitalized in anyway.
- f) Any profit on debt, commission or salary or other remuneration paid by an AOP (Association of Person) to a member of it.

- a. Provisions of deductions not allowed does not apply in the cases
 - b. Expenditure not exceeding 25,000
 - c. Expenditure on account of utility bills, freight charges, travel fee, postage, payment of taxes, duties or statutory obligations.
 - d. Salary exceeding 25 thousand and paid in employee's bank account.
- g) If expense in a single head exceed 250,000 and not paid through cross cheque, credit card payment, online transfers, and transactions verifiable from bank statement.

MCQs

1. In view of the Section 2(9) of ITO business includes:
 - a. Trade
 - b. Commerce
 - c. Manufacture
 - d. Profession or vocation
 - e. Adventure in the nature of trade, commerce, manufacture or profession
 - f. All of above
2. Rendering of Services is _____
 - a. Included in the Business
 - b. Included in the Salary Income
 - c. Both A & B
 - d. None of the above.
3. Income of an illegal business is _____
 - a. Taxable
 - b. Exempt
 - c. Not part of total income
 - d. None of the above.
4. Income under the head business includes;

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- a. The profits and gains of any business carried on by a person at any time in the year.
 - b. Any income derived by a trade, professional or similar association from the sale of goods or provision of services to its members
 - c. Any income from the hire or lease of tangible moveable property.
 - d. Fair market value of perquisite derived by a person from past present or prospective business relations.
 - e. Any management fee derived by a management company
 - f. A, B & C
 - g. A, B & D
 - h. All of the above
 - i. None of the above
5. Profit on Debt derived by a person is _____ if person's business is to derive such income.
 - a. Income from other source
 - b. Income from business
 - c. Income from capital gains
 - d. None of the above
 6. Profit on debt derived by a person is _____ if it is not usual business of the person.
 - a. Income from other source
 - b. Income from business
 - c. Income from capital gains
 - d. None of the above.
 7. Lease income of Scheduled Bank or Investment Bank is _____
 - a. Income from Property
 - b. Income from Business
 - c. Income from Other Sources
 - d. Income From Capital Gains
 8. Income from profit on debt derived by a banking company is _____
 - a. Income from other source
 - b. Income from business
 - c. Income from capital gains

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9. Which section of the ITO 2001 deals with Income from Business?
- 18
 - 16
 - 17
 - 19
10. Income from _____ will treated as separate from other business incomes.
- Speculation Business
 - Rental Business
 - Stock Business
 - Investment Business
11. Speculation Business include:
- A business in which a contract for purchase and sale of any commodity is periodically or ultimately settled otherwise than by actual delivery.
 - A contract in respect of raw material or merchandise entered into by a person while manufacturing or mercantile business to guard against loss of future price fluctuations.
 - A contract in respect of stocks and shares is entered into by a dealer or investor therein to guard against loss in the person's holding of stocks and shares through price fluctuation.
 - None of the above.
12. A deduction shall be allowed for any expenditure incurred by _____ wholly and exclusively for the purpose of business income.
- Individual
 - AOP
 - Company
 - All of the above.
13. The onus of proof regarding the admissibility of a deduction lies on:
- The taxpayer
 - The tax collector
 - Tax Consultant

- d. All of the above.
14. A deduction can be claimed _____
- Within three years
 - Within the year it occurred.
 - Within Six Years
 - Both A & B
15. A deduction can only be allowed if _____.
- The business was carried during the year
 - Expense was wholly or exclusively carried out for the business
 - Expense was carried out in accordance with ITO 2001
 - All of the above.
16. A parent company _____ deduction for its subsidiary company's business expense.
- Can be allowed
 - Cannot be allowed
 - May be allowed subject to approval of Commissioner
 - None of the above.
17. No deduction can be allowed if expenditure _____ exceeding _____ under a single head of account was not paid through cross cheque or banking channel.
- 250000
 - 500000
 - 100,000
 - 150,000
18. No deduction can be allowed if per month salary of Rs _____ is paid without involving banking channel.
- 15000
 - 20000
 - 25000
 - 30000
19. No deduction is allowed for expenditures of _____ nature
- Revenue
 - Capital

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- c. Temporary
- d. Permanent
20. No deduction is allowed for any cess or tax paid or payable on the profits or gains of the business under section.
- 21(a)
 - 21 (b)
 - 21(c)
 - 21(d)
21. _____ is allowed for the expense carried on before the commencement of business.
- No deduction
 - A deduction
 - Partial
 - None of the above.
22. No deduction is allowed against _____ business.
- Non-taxable
 - Non-assessable
 - Both A & B
 - None of the above.
23. Deduction against illegal business is _____.
- Not allowed
 - Allowed
 - Partial Allowed
 - None of the above.
24. Deduction is allowed for _____
- Real expense
 - Anticipated loss
 - Both A & B
 - None of the above.
25. Deduction in respect of _____ investment is not allowed.
- Depreciable
 - Temporary
 - Permanent
 - Dead
26. An expense on which the taxpayer was supposed to deduct tax is not allowed as deduction if _____.
- The due tax was not deducted.
 - The claim was not filed

- c. Withholding statement was not filed
- d. None of the above.
27. No deduction is allowed for _____ expense in excess of prescribed limits
- Entertainment
 - Travelling
 - Medical
 - Social
28. Any contribution made to unrecognized or unapproved _____ is not allowed.
- Provident Fund
 - Pension or Gratuity Fund
 - Superannuation Fund
 - All of the above.
29. No deduction is allowed for _____
- Personal Expenditure
 - Official Expenditure
 - Accounting Expenditure
 - Field Expenditure
30. No deduction is allowed for _____ for violation of any rule law or regulation.
- Fine
 - Penalty Paid
 - Penalty payable
 - All of the above.
31. No deduction is allowed for an amount _____
- Carried to a reserve fund
 - Capitalized in any way
 - Both A & b
 - None of the above.
32. No deduction is allowed for _____ paid by an AOP to its member.
- Profit on debt
 - Brokerage
 - Commission
 - Salary or remuneration
 - All of the above.
33. No deduction is allowed for an expenditure on accounting of _____

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 _____ in excess of prescribed limits and in violation of prescribed conditions.

- a. Utility
 - b. Freight
 - c. Commission
 - d. All of the above.
34. Deduction is allowed for _____
- a. Scientific research expenditure
 - b. Expenses on employee training and facility
 - c. Bad Debt
 - d. Profit on Debt
 - e. All of above.
35. Section _____ of the ITO permits deductions subject to section 21.
- a. 22
 - b. 20
 - c. 24
 - d. 18
36. Section _____ deals with depreciation allowance.
- a. 22
 - b. 23
 - c. 24
 - d. 25
37. Section _____ deals with Initial Allowance
- a. 22
 - b. 23
 - c. 24
 - d. 25
38. Section _____ deals with amortization.
- a. 24
 - b. 25
 - c. 26
 - d. 27
39. Section _____ of the ITO 2001 allows _____ pre-commencement expense.
- a. 24

- b. 25
 - c. 26
 - d. 27
40. Section _____ of the ITO 2001 deals with profits on non-performing debts of a banking company or development finance institution.
- a. 28
 - b. 29
 - c. 29A
 - d. 30
41. The deductions claimed under section 21 of the ITO 2001 should:
- a. Not be covered in section 23 to 31.
 - b. Should not be of capital nature
 - c. Not be personal expenditure of the taxpayer.
 - d. All of the above.

ANSWER

1	F	9	A	17	A	25	A	33	A
2	A	10	A	18	C	26	A	34	E
3	A	11	A	19	A	27	A	35	B
4	H	12	D	20	A	28	D	36	A
5	B	13	A	21	A	29	A	37	B
6	A	14	B	22	A	30	D	38	A
7	B	15	D	23	B	31	C	39	B
8	B	16	B	24	A	32	E	40	A
								41	A

SPECIAL PROVISIONS REGARDING DEDUCTIONS FROM INCOME FROM BUSINESS

Sec 22 Depreciation

Depreciable assets: means any tangible movable property, immovable property other than un-improved land or structural improvement to immovable property. This has normal useful life exceeding one year and loses its value with normal wear and tear.

"Structural improvement" in relation to immovable property, includes any building, road, driveway, car park, railway line, pipeline, bridge, tunnel, airport runway, canal, dock, wharf, retaining wall, fence, power lines, water or sewerage pipes, drainage, landscaping or dam

Depreciation: means reduction in the value of a depreciable asset due to its use or obsolescence.

Cost of asset: The cost of passenger transport vehicle not plying for hire shall not exceed two and half million.

Cost of immovable property or its structural improvement shall not include cost of land.

Leased asset shall be treated to be used in such leasing or financing institute.

Where the consideration received on the disposal of immovable property exceeds the cost of the property the consideration shall be treated as the cost of the property.

Depreciation chargeable at written down value:

Written down value = cost of asset - freight, fare, fitting - accumulated depreciation

If the asset is acquired in the tax year, then written down value = cost of asset - freight, fare, fitting

Depreciable asset put into use in the business, on or after 1st July 2020, for the first time in a tax year, deduction for depreciation shall be charged as deduction reduced by fifty percent in the tax year the asset was put into use and if the same asset is disposed then fifty percent depreciation shall be allowed as deduction in the year of disposal

Sec 22(3) if asset is partially used for business, then depreciation for that part shall be charged according to the fair market value of that asset.

Sec 22(8) if asset is disposed of during the tax year, no depreciation deduction shall be allowed. Moreover, if the amount received against that disposal is more than the written down value, the excess shall be charged to income from business, and if the amount received is less than written down value then the difference shall be allowed as deduction from income from business.

Sec 22(9) when asset is used partially for business and the asset is disposed of during the year then the portion of depreciation disallowed shall be added back to the written down value.

Sec 22(10) if a passenger transport not plying for hire is disposed of, its consideration received on disposal shall be calculated as follow

$A \times B/C$

A= amount received from disposal

B = 25 lac / 2.5 million

C= the actual cost of acquiring the vehicle.

Sec 22(12) in case of leasing company the deduction for depreciation is allowed against lease rental income only.

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Sec 23 Initial Allowance

Initial allowance is depreciation against an asset placed into service first time in the tax year or when commercial production is commenced whichever is earlier.

Initial allowance is not applicable

1. Road transport unless plying for hire
2. Any furniture including fitting
3. If such plant and machinery placed that was already in use in Pakistan.

Sec 23A First Year Allowance

First year allowance is in lieu of initial allowance against plant and machinery installed by the industrial undertaking in specific rural areas and PTA approved cellular manufacturer commencing between 1.7.2015 to 30.06. 2017

Sec 23B Accelerated depreciation to alternate energy

First year allowance is in lieu of initial allowance at special rate against any plant and machinery installed for generation of alternative energy.

Sec 24 Intangibles: Amortization is allowed as deduction on Intangible.

"intangible" means any patent, invention, design or model, secret formula or process, copyright, trade mark, scientific or technical knowledge, computer software, motion picture film, export quotas, franchise, license, intellectual property, or other like property or right, contractual rights and any expenditure that provides an advantage or benefit for a period of more than one year (other than expenditure incurred to acquire a depreciable asset or unimproved land).

"cost" in relation to an intangible, means any expenditure incurred in acquiring or creating the intangible, including any expenditure incurred in improving or renewing the intangible

Intangible is considered to have normal life exceeding one year

Wholly or partially be used to drive business income

Amortization is allowed according to following formula

A/B

A is the cost of the intangible; and

B is the normal useful life of the intangible in whole years.

Sec 24(4) if intangible have normal life more than 10 year or do not have ascertainable useful life then it shall be treated that the intangible had normal useful life of 10 years.

Sec 24(5) where intangible used partially for business purposed the fair market value of the portion used for business shall be allowed as deduction.

(6) Where an intangible is not used for the whole of the tax year in deriving income from business chargeable to tax, the deduction allowed under this section shall be computed according to the following formula, namely: —

$$A \times B/C$$

where —

A is the amount of amortization (portion of amortization value in case of partially used for business)

B is the number of days in the tax year the intangible is used in deriving income from business chargeable to tax; and

C is the number of days in the tax year.

Sec24 (8) consideration received from disposal of intangible shall be considered income from business

Sec 24 (9) written down value shall be the cost of intangible at the time of disposal, if consideration is more than the cost is shall be charged under income from business

and if loss occur shall be deducted from income from business.

Sec 24(10) When intangible is available for use shall be considered used in that day even if that day is non-working day

Sec 25 Pre-commencement expenditure

"pre-commencement expenditure" means any expenditure incurred before the commencement of a business wholly and exclusively to derive income chargeable to tax, including the cost of feasibility studies, construction of prototypes, and trial production activities, but shall not include any expenditure which is incurred in acquiring land, or which is depreciable asset or intangible asset

Pre-commencement expenditure shall be amortized under straight line method.

Sec 26 Scientific Research

Expenditure on scientific research is an admissible deduction subject to following conditions

1. Research undertook in Pakistan
2. Must be in the fields of natural or applied science
3. For the human development

Following expenditure on scientific research are not admissible as deduction

1. Expenditure on depreciable, intangible, immovable assets
2. Research to find the natural deposits their extent, location or amount etc

Sec 27. Employee training

Expenditure on employee training is an admissible deduction provided that the institute must be located in Pakistan whether under Government or Private control

Sec 28. Profit on debt, financial costs and lease payments

Deduction allowed for

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1. Interest on debt paid or payable
2. Lease rental, modarba, participation share
3. Bank charges
4. HBFS, SME bank with SBP finance some projects their installments, profit etc
5. Financial cost incurred on receivables if Special Purpose Vehicle is engaged

Sec 29 Bad Debts

Deduction for bad debts is allowed subject to following conditions:

1. The bad debt amount was previously a part of business income chargeable to tax
2. It is in respect of money lent by a financial institution in driving income from business

Sec 29(2) Deduction is allowed up to the amount written off in the books of accounts.

Sec 29(3) deals with if/when bad debts are recovered

1. If recovery is more than deduction of that bad debt, include excess in the business income
2. If recovery is less than the amount of such bad debt, the shortfall shall be allowed as deduction.

Sec 29A Provision regarding consumer loans

A non-banking financial company or the HBFC shall be allowed a deduction not exceeding three percent of the income from consumer loans

Sec 31. Transfer to participatory reserve

1. Deduction 5% of the redeemable capital
2. No deduction allowed if tax exemption accumulation in the

participatory reserve exceeds 10% of redeemable capital.

Sec 32. Method of Accounting

For company it is necessary to prepare books of accounts according to accrual basis of accounting whereas persons may choose cash or accrual basis of accounting.

Sec 33 Cash-basis accounting

A person accounting for income chargeable to tax under the head "Income from Business" on a cash basis shall derive income when it is received and shall incur expenditure when it is paid.

Sec 34 Accrual-basis accounting

A person accounting for income chargeable to tax under the head "Income from Business" on an accrual basis shall derive income when it is due to the person and shall incur expenditure when it is payable by the person.

Sec 35 Stock in trade

"stock-in-trade" means anything produced, manufactured, purchased, or otherwise acquired for manufacture, sale or exchange, and any materials or supplies to be consumed in the production or manufacturing process, but does not include stocks or shares; and

"absorption-cost method" means the generally accepted accounting principle under which the cost of an item of stock-in-trade is the sum of direct material costs, direct labour costs, and factory overhead costs;

"average-cost method" means the generally accepted accounting principle under which the valuation of stock-in-trade is based on a weighted average cost of units on hand,

"Direct labour costs" means labour costs directly related to the manufacture or production of stock-in-trade;

"Direct material costs" means the cost of materials that become an integral part of

the stock-in-trade manufactured or produced, or which are consumed in the manufacturing or production process;

"Factory overhead costs" means the total costs of manufacturing or producing stock-in-trade, other than direct labour and direct material costs;

"first-in-first-out method" means the generally accepted accounting principle under which the valuation of stock-in-trade is based on the assumption that stock is sold in the order of its acquisition;

"prime-cost method" means the generally accepted accounting principle under which the cost of stock-in-trade is the sum of direct material costs, direct labour costs, and variable factory overhead costs;

Cost of stock in trade disposed of or consumed:

The cost of stock-in-trade disposed of by the person in the year shall be computed in accordance with the following formula, namely:—

$$(A + B) - C$$

where —

- A is the opening value of the person's stock-in-trade for the year;
- B is cost of stock-in-trade acquired by the person in the year; and
- C is the closing value of stock-in-trade for the year.

The opening value of stock-in-trade of a person for a tax year shall be —

- (a) The closing value of the person's stock-in-trade at the end of the previous year; or
- (b) Where the person commenced to carry on business in the year, the fair market value of any stock-in-trade acquired by the person prior to the commencement of the business.

If a person using cash basis of accounting chooses either prime cost method or

absorption cost method to cost the stock in trade and if the stock in trade is not readily identifiable then the person may account for that stock on the first-in-first-out method or the average-cost method, but, once chosen, a stock valuation method may be changed only with the written permission of the Commissioner

Sec 36 Long-term contracts (Work in Process)

"long-term contract" means a contract for manufacture, installation, or construction, or, in relation to each, the performance of related services, which is not completed within the tax year in which work under the contract commenced, other than a contract estimated to be completed within six months of the date on which work under the contract commenced; and

"Percentage of completion method" means the generally accepted accounting principle under which revenue and expenses arising under a long-term contract are recognized by reference to the stage of completion of the contract,

A person accounting for income chargeable to tax under the head "Income from Business" on an accrual basis shall compute such income arising for a tax year under a long-term contract on the basis of the percentage of completion method.

The percentage of completion of a long-term contract in a tax year shall be determined by comparing the total costs allocated to the contract and incurred before the end of the year with the estimated total contract costs as determined at the commencement of the contract

MCQs

1. Depreciable assets mean any tangible moveable property, immovable property (other than unimproved land), or structural improvements to immovable property that has

- a Normal useful life exceeding one year
 - b Is likely to lose value as a result of normal wear and tear
 - c Is used wholly or partly in deriving income from business
 - d All of the above
2. Depreciation is called a tax shield for the business
 - a. As it is allowed as deduction from business income
 - b. As it is allowed as a tax credit
 - c. As it is allowed as a refund
 - d. As it is allowed as a notes payable
 3. Depreciation is allowed at
 - a. Purchase value
 - b. Sales value
 - c. Written down value
 - d. Market value
 4. Depreciable asset use in the business for the first time in tax year commencing on or after 1st day of July 2020 the depreciation deduction shall be reduced by
 - a. 25%
 - b. 50%
 - c. 75%
 - d. 100%
 5. Depreciation for any asset used partly for business shall be allowed to the extent of
 - a. Fair market value
 - b. Fair rental value
 - c. Fair proportional part
 - d. Fair residual part
 6. Written down value of a depreciable asset acquired in the tax year shall be the cost of asset as reduced by
 - a. Installation charges
 - b. Fixture and fittings
 - c. Notional loss

- d. Initial allowance
7. Written down value of a depreciable asset shall be cost of the asset reduced by
- Initial allowance
 - Total depreciation deductions
 - Total depreciation deductions including initial allowance
 - None of the above
8. Where income of any business is exempt depreciation deduction shall be given effect to
- Total depreciation
 - Written down value
 - Both a and b
 - None of above
9. Depreciation deduction cannot exceed
- Cost of the asset
 - Market value of the asset
 - Residual value of the asset
 - Salvage value of the asset
10. Depreciation shall be allowed, where a depreciable asset is deposited
- 10% depreciation deduction
 - No depreciation deduction
 - 25% depreciation deduction
 - 50% depreciation deduction
11. Asset acquired on or after 1st July 2020, depreciation shall be allowed, where a depreciable asset is deposited
- 10% depreciation deduction
 - No depreciation deduction
 - 25% depreciation deduction
 - 50% depreciation deduction
12. Where consideration on disposal of depreciable asset is more than written down value the excess shall chargeable to tax under the head
- Income from business
 - Income from other sources
 - Income from capital gains
 - None of the above
13. Where consideration on disposal of depreciable asset is less than written down value the difference shall be allowed as
- Refund
 - Deduction
 - Tax credit
 - Rebate
14. Leasing company or any financial institution allowed depreciation deduction of leased depreciable assets from
- Lease rental
 - Lease interest
 - Lease markup
 - Lease cost
15. Cost of structural improvement to immovable property or immovable property shall not include
- Cost of building material
 - Cost of white wash
 - Cost of land
 - Cost of mutation
16. Assets owned by leasing company or financial institutions and leased to another person is treated to have been used by
- Lessee
 - The state
 - The leasing company or financial institution
 - None of above
17. If the depreciable asset is jointly owned by a tax payer and licensed Islamic financial institution through Mushakrika financing asset shall be treated to be owned by
- Lessee
 - The leasing company or financial institution
 - Both a and b
 - None of above

18. Tangible moveable, immovable property or structural improvement to immovable property shall not be considered as depreciable asset where
- Deduction has been allowed equal to the cost in the year of acquisition
 - Deduction has been allowed equal to the fair market value in the year of acquisition
 - Deduction has been allowed equal to the export value
 - None of above
19. For the purposes of depreciation Cost of passenger transport vehicle not plying for hire shall not exceed
- One and half million rupees
 - Two million rupees
 - Two and half million rupees
 - Three million rupees
20. Rate for depreciation for building is
- 5%
 - 10%
 - 15%
 - 20%
21. Rate for depreciation for furniture, plant and machinery, motor vehicles, ships and technical or professional books is
- 5%
 - 10%
 - 15%
 - 20%
22. Rate of depreciation for computer hardware or equipment used in manufacture of IT products, air craft and aero engines is
- 15%
 - 20%
 - 25%
 - 30%
23. Rate of depreciation for below ground installation for mineral oil concerns is
- 50%
 - 100%
 - 110%
 - 150%
24. Rate of depreciation for offshore platform and production installation for mineral oil concerns is
- 20%
 - 40%
 - 60%
 - 80%
25. 100% depreciation is allowed for a ramp build to provide access to person with disabilities for amount not exceeding
- 2,500
 - 25,000
 - 250,000
 - 2,500,000
26. A person placing eligible depreciable asset into service in Pakistan for the first time in a tax year shall be allowed a deduction namely
- Initiative allowance
 - Initial allowance
 - Incentive allowance
 - Innovative allowance
27. Leasing company or any financial institution allowed initial allowance of leased depreciable assets as a deduction from
- Lease rental
 - Lease interest
 - Lease markup
 - Lease cost
28. Deduction of initial allowance for any plant or machinery that has been previously used in Pakistan is

35. Jobs Test Preparation
- Allowed
 - Not allowed
 - Partly allowed
 - Partly not allowed
29. Any plant or machinery shall not be considered as eligible depreciable asset were
- Deduction has been allowed equal to the cost in the year of acquisition
 - Deduction has been allowed equal to the fair market value in the year of acquisition
 - Deduction has been allowed equal to the export value
 - None of above
30. Eligible depreciable asset means a depreciable asset other than
- Road transport vehicle unless plying for hire
 - Furniture and fittings
 - Plant or machinery granted deduction equal to cost or has been used in Pakistan previously
 - All of the above
31. Rate of initial allowance for plant and machinery is
- 15%
 - 20%
 - 25%
 - 30%
32. A deduction namely first year allowance shall be allowed for installation of plant, machinery and equipment installed by industrial undertaking for
- Specified rural areas
 - Specified under developed areas
 - Manufacturer of PTA certified cellular mobile phones commencing between 1st July 2015 to 30th June 2017
 - All of the above

33. Rate of first year allowance for plant and machinery is
- 75%
 - 80%
 - 85%
 - 90%
34. A deduction namely accelerated depreciation to alternate energy projects is allowed for installation of plant, machinery and equipment installed to generate alternate energy where the tax payer is
- Individual
 - Association of person
 - Company
 - Any of the above
35. A deduction namely accelerated depreciation to alternate energy projects is allowed for installation of plant, machinery and equipment installed to generate alternate energy where the eligible depreciation assets put to use after
- 1st January 2018
 - 1st July 2018
 - 1st January 2019
 - 1st July 2019
36. A deduction namely accelerated depreciation to alternate energy projects is allowed for installation of plant, machinery and equipment installed to generate alternate energy in lieu of
- Initiative allowance
 - Initial allowance
 - Incentive allowance
 - Innovative allowance
37. A deduction namely first year allowance shall be allowed for installation of plant, machinery and equipment installed by industrial undertaking in lieu of
- Initiative allowance
 - Initial allowance

38. Rate of accelerated depreciation to alternate energy projects is
- 75%
 - 80%
 - 85%
 - 90%
39. Deduction allowed for Intangibles used in deriving business income namely
- Depreciation
 - Initial allowance
 - Amortization
 - amalgamation
40. Amortization deduction for intangible is allowed were
- That are wholly or partly used in deriving income from business
 - That have normal useful life exceeding one year
 - Both a and b
 - None of the above
41. Rate of amortization deduction for intangible is computed as A/B where A is the cost of intangible and B is
- Residual value
 - Normal useful life
 - Estimated useful life
 - Market value
42. Where life of the intangible is not ascertainable its useful life shall be treated
- Twenty-five weeks
 - Twenty-five months
 - Twenty-five years
 - Twenty-five decades
43. Amortization for any Intangible used partly for business shall be allowed to the extent of
- Fair market value
 - Fair rental value
44. Where intangible is not In use for the whole year the amount of amortization shall be calculated as $A \cdot B / C$ where A is the amount of amortization for the whole year, B is number of days in a tax year the tangible is used in deriving income from business and C is
- Number of days in the calendar year
 - Number of days in tax year
 - Number of days in lunar year
 - Number of days in bikrami year
45. Amortization shall be allowed, where an intangible is disposed
- 10% Amortization deduction
 - No Amortization deduction
 - 25% Amortization deduction
 - 50% Amortization deduction
46. Where consideration on disposal of intangible is more than written down value the excess shall chargeable to tax under the head
- Income from business
 - Income from other sources
 - Income from capital gains
 - None of the above
47. Where consideration on disposal of intangible is less than written down value the difference shall be allowed as
- Refund
 - Deduction
 - Tax credit
 - Rebate
48. Written down value of the intangible at the time of disposal shall be cost of the intangible reduced by
- Initial allowance
 - Total depreciation deduction

- Jobs Test Preparation
- c. Total depreciation deductions including initial allowance
- d. Total amortizations allowed
49. Expenditure for renewing the intangible is
- a. Revenue expenditure
- b. Notional loss
- c. Cost of intangible
- d. None of these
50. Intangible available on a non-working day is treated
- a. Unused for the day
- b. Dormmate
- c. Sleeping
- d. Used on that day
51. Any expenditure incurred before the commencement of a business wholly and exclusively to derive income chargeable to tax is called
- a. Pre-launch expenditure
- b. Pre start expenditure
- c. Pre commencement expenditure
- d. Pre-summit expenditure
52. Pre-commencement expenditure includes
- a. Feasibility studies
- b. Construction of prototypes and trial production
- c. Acquiring of land
- d. A and b
53. Pre-commencement expenditure shall be amortized on
- a. Diminishing value basis
- b. Written down value basis
- c. Straight line basis
- d. Fair market value basis
54. Total deduction allowed for pre-commencement expenditure shall not exceed
- a. Fair market value
- b. Residual value
- c. Book value
- d. Cost

55. Rate of amortization for pre-commencement expenditure is
- a. 15%
- b. 20%
- c. 25%
- d. 30%
56. A person shall be allowed a deduction for scientific research expenditure incurred in Pakistan in a tax year wholly and exclusively for the purpose of deriving
- a. Income from other source
- b. Income from property
- c. Income from salary
- d. Income from business
57. For the purpose of section 26 scientific research meant any activity undertaken in Pakistan in the field of natural or applied science for the development of human knowledge for the purpose of
- a. Developing the person's business
- b. Developing other's business
- c. Both a and b
- d. None of above
58. Deduction for scientific expenditure includes
- a. Expenditure incurred by a person
- b. Contribution to scientific research institution to undertake research for person's business
- c. Acquisition of depreciable asset or intangible
- d. A and b
59. Research for the purpose of ascertain the existence, existence, location, extent or quality of a natural deposit qualifies for
- a. Deduction for scientific research expenditure
- b. Deduction for intangibles

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- c. Depreciation
- d. None of above
60. Deduction of expenditure other than capital expenditure is allowed for expenditure on
- a. Educational institute or hospital established in Pakistan for the benefit for the person's employees and their dependents
- b. Any institute for training of industrial workers run by Federal Government or Provincial Government
- c. Any institute for training of industrial workers run by Local government
- d. All of the above
61. Deduction from income from business is allowed for
- a. Profit on debt
- b. Financial costs
- c. Lease payments
- d. All of above
62. For determining deduction on account of lease rental the cost of a passenger transport vehicle not playing for hire the extent of principal amount shall not exceed
- a. One and half million rupees
- b. Two million rupees
- c. Two and half million rupees
- d. Three million rupees
63. For bad debts in a tax year a person shall be allowed
- a. Deduction
- b. Deductible allowance
- c. Rebate
- d. Refund
64. If there are reasonable grounds for believing that the debt is irrecoverable it can be treated as deduction as bad debt provided
- a. That debt was previously included in person's income from business
- b. In respect of money lent by a financial institution in deriving income from business chargeable to tax
- c. The debt is written off in the accounts of the person in the tax year
- d. All of the above
65. A non-banking financial company or house building finance corporation shall be allowed a deduction for creation of a reserve to off-set bad debts arising out of consumer loans not exceeding
- a. 2.5%
- b. 3%
- c. 3.25%
- d. 3.5%
66. A banking or non-banking financial institution shall be allowed a deduction for
- a. Non-performing liability
- b. Non-performing employee
- c. Non-performing franchise
- d. Non-performing debt
67. If non-performing debt is subsequently recovered it shall be included in the income of the Banking or non-banking financial institution for the income chargeable to tax under the head
- a. Income from business
- b. Income from other sources
- c. Income from capital gains
- d. Income from salary
68. A deduction for participatory redeemable capital against an agreement relating to participatory redeemable capital between a company and a banking company is limited to
- a. 3%
- b. 4%

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- c. 5%
d. 6%
69. Following is / are accounting methods as per Income Tax Ordinance, 2001
a. Cash-Basis of Accounting
b. Accrual-Basis of Accounting
c. Both a and b
d. None of above
70. A company shall account for income chargeable to tax under the head income from business on
a. Cash-Basis of Accounting
b. Accrual-Basis of Accounting
c. Both a and b
d. None of above
71. A person may apply in writing for a change in accounts method to
a. Chairman
b. Member
c. Chief commissioner
d. Commissioner
72. Commissioner may approve the application for change of accounting method if he is satisfied that
a. Change is for clearly reflecting income from business
b. Change is for clearly reflecting the cash flow
c. Change is for clearly reflecting balance sheet
d. None of above
73. Accounting for income chargeable to tax under the head income from business on the method that derive income when it is received and shall incur expenditure when it is paid is
a. Cash basis of accounting
b. Accrual basis of accounting
c. Modified cash basis of accounting

- d. Modified accrual basis of accounting
74. Income when it is due to the person and expenditure when it is payable by the person is the
a. Cash basis of accounting
b. Accrual basis of accounting
c. Modified cash basis of accounting
d. Modified accrual basis of accounting
75. Absorption cost is
a. Direct material cost
b. Direct labour cost
c. Factory overhead cost
d. All of above
76. Average-cost method of stock in trade is
a. FIFO (First in First Out)
b. LIFO (Last in First Out)
c. Weighted average cost of units in hand
d. All of above
77. Direct labour cost is
a. Cost directly related to manufacturing
b. Cost directly relating to production of stock in trade
c. Cost directly relating to sales of goods
d. A and b
78. Direct material cost
a. Cost of material become integral part of stock in trade manufactured or produced
b. Cost of material consumed in manufacturing or production process
c. A and b
d. None of above
79. First in first out method is
a. Method of valuation of salary
b. Method of valuation of stock in trade
c. Method of valuation of labour

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- accounting may compute the cost of stock in trade on
a. Prime cost method
b. Absorption cost method
c. A or b
d. A and b
80. Stock in trade means
a. Anything produced, manufactured or acquired for manufacture, sale or exchange, material used in consumption for production
b. Shares
c. Debentures
d. Term deposit certificates
81. Prime cost includes
a. Direct material cost
b. Direct labour cost
c. Variable factory over head
d. All of above
82. Stock in trade disposed is computed with the formula $(A+B)-C$ where A is opening value of stock in trade B is cost of stock in trade acquired by the person in the year and C is
a. Fair market value of stock in trade
b. Cost value of stock in trade
c. Closing value of stock in trade
d. Salvage value of stock in trade
83. Opening value of stock in trade of a person for a tax year shall be
a. Cost value of stock in trade
b. Closing value of previous year
c. Fair market value of stock in trade
d. Purchase value of stock in trade
84. Closing value of stock in trade shall be lower of
a. Cost or net realizable value
b. Cost or fair market value
c. Cost or discounted value
d. Cost or new purchase order value
85. A person accounting for income from business under cash basis of
86. A person accounting for income derived under the head income from business on accrual basis may compute the cost of stock in trade
a. Prime cost method
b. Absorption cost method
c. Average cost method
d. First in first out method
87. Stock valuation method can be changed
a. At will with a note in notes to the accounts
b. With the approval of boards of directors in AGM
c. With the approval of board of directors in extra ordinary general meeting
d. With the approval of commissioner
88. As per section 36 long term contracts are chargeable to tax under the head income from business on
a. Cash basis
b. Cost basis
c. Accrual basis
d. Overhead basis
89. The percentage of completion of a long-term contract in a tax year shall be determined by comparing
a. Cost allocated and incurred with estimated total cost
b. Work done with total work
c. Budgeted expenditure with actual expenditure
d. None of the above
90. Long term contract is contract for manufacture, installation, or

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 construction where the performance is not completed within the tax year other than a contract
 a Work is estimated to be completed within six months

- b. Work is estimated to be completed within nine months
- c. Work is estimated to be completed within twelve months
- d. Work is estimated to be completed within three months

ANSWERS

1	D	11	D	21	C	31	C	41	B	51	C	61	D	71	D	81	D
2	A	12	A	22	D	32	D	42	C	52	D	62	C	72	A	82	C
3	C	13	B	23	B	33	D	43	C	53	C	63	A	73	A	83	B
4	B	14	A	24	A	34	C	44	B	54	C	64	D	74	B	84	A
5	C	15	C	25	C	35	D	45	B	55	B	65	B	75	D	85	C
6	D	16	C	26	B	36	B	46	A	56	D	66	D	76	C	86	B
7	C	17	A	27	A	37	B	47	B	57	A	67	A	77	D	87	D
8	C	18	A	28	B	38	D	48	D	58	D	68	C	78	C	88	C
9	A	19	C	29	A	39	C	49	C	59	D	69	C	79	B	89	A
10	B	20	B	30	D	40	C	50	D	60	D	70	B	80	A	90	A

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INCOME FROM CAPITAL GAINS AND INCOME FROM OTHER SOURCES

Sec 37 Capital Gains

Capital gain includes profit or gain on disposal of capital assets
 Capital assets means all the property held by a person excluding stock in trade, amortizable assets and movable property
 Sec 37(2) computation of capital gains is as follow

$A - B$

where —

- A is the consideration received by the person on disposal of the asset; and
- B is the cost of the asset.

Cost of asset does not include any expenditure incurred by the person

If capital assets including shares and stocks are held less than a year, capital gain shall be charged.

Where a capital asset other than share of public companies is held more than one year gain arising on disposal of the asset shall be computed in accordance with the following formula, namely: —

$A \times \frac{1}{4}$

A is the amount of the gain determined using $A - B$

The value of A computed through above formula shall be used for as per the below table for the computation of tax chargeable under the head income from capital gains

S.No.	Holding period	Gain
(1)	(2)	(3)
1.	Where the holding period of an immovable property does not exceed one year	A
2.	Where the holding period of an immovable property exceeds one year but does not exceed two years	$A \times \frac{3}{4}$
3.	Where the holding period of an immovable property exceeds two years but does not exceed three years	$A \times \frac{1}{2}$
4.	Where the holding period of an immovable property exceeds three years but does not exceed four years	$A \times \frac{1}{4}$
5.	Where the holding period of an immovable property exceeds four years	0

- A is the consideration received by the person on disposal of the asset; and
- B is the cost of the asset.

If capital asset is gifted, inherited or got in distribution of assets after dissolution of AOP / Company, fair market value on the date of transfer or acquisition by the person shall be treated to be the cost of the asset.

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Antiques, jewelry, painting, coins, stamps and other collectables are capital assets although movable.

Rate of Capital Gain on disposal of Immovable property shall be as follow

S. No.	Amount of Gain	Rate of tax
(1)	(2)	(3)
1.	Where the gain does not exceed Rs. 5 million	2.5%
2.	Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million	5%
3.	Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million	7.5%
4.	Where the gain exceeds Rs. 15 million	10%

Sec 37A Disposal of securities after 1-7-10

Securities include shares, Pakistan telecommunicating vouchers, modarba certificates, debt securities; debt security means term finance certificates, sukuk, debentures, treasury bills, federal/Govt Bonds and debt instruments.

If securities are disposed after 1st July 2010 and held less than one year capital gain shall be chargeable to tax except banking and insurance companies

The gain arising on the disposal of a security by a person shall be computed in accordance with the following formula, namely: —

A – B

'A' is the consideration received by the person on disposal of the security; and

'B' is the cost of acquisition of the security

Sec 37A (4), gain from securities shall be treated as a separate block of income.

Sec 37A(5), if any loss occurs in securities, it shall be set of against gain from securities and shall not be carried forward.

Rate of tax on Capital Gains on disposal of securities shall apply as per the following table

S.No.	Period	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Years	
					2018,2019 and 2020 and onwards	
					Securities acquired before 01.07.2016	Securities acquired after 01.07.2016
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Where holding period of a security is less than twelve months	12.5%	15%	15%	15%	15%

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2.	Where holding period of a security is twelve months or more but less than twenty-four months	10%	12.5%	12.5%	12.5%	
3.	Where holding period of a security is twenty - four months or more but the security was acquired on or after 1st July, 2013.	0%	7.5%	7.5%	7.5%	
4.	Where the security was acquired before 1st July, 2013	0%	0%	0%	0%	0%
5.	Future commodity contracts entered into by members of Pakistan Mercantile Exchange	0%	0%	5%	5%	5%

Sec 38 Deduction of losses in computing the amount chargeable under the head "Capital Gains"

Deduction is allowed in case of loss

Sec 38(2) if on disposal of a capital asset the gain is not chargeable to tax under any provision of income tax ordinance 2001 then its loss shall not be used as admissible deduction.

Sec 38(3) loss shall be calculated as follow

A – B

A is the cost of the asset; and

B is the consideration received by the person on disposal of the asset.

Sec 39 Income from Other Source

Any kind of income other than already specified includes mainly dividend, royalty, profit on debt, additional payment on refund of tax if delayed, ground rent, rent from sub lease land, income from amenities, utilities or other services connected with renting of building. Prize bond, lottery, and promotion prize; Consideration received for vacating the building, bonus share

Sec 39(2) if income received for vacating building or its part thereof shall be chargeable to tax in 10 equal portions.

Sec 39(3) advance payment, Gift or loan for issuance of shares from other than crossed cheque or banking channel, or NTN holder, excluding advance for sale of goods shall be chargeable to tax under the head income from other sources.

Sec 39 (4A) incomes from national saving certificates is chargeable to tax under the head income from other sources. Moreover if there are any arrears receivable against national saving certificates and the rate of tax in that tax year was lower the taxpayer may give notice in writing to the commissioner that rate of tax to which the amount relates may be charged. Such notice may be sent within due date.

With written notice to commissioner in the tax rate of the year to which total amount relates but shall be noticed by the due date of filing return or any other date as may be allowed by the commissioner

Sec 40 deductions allowed in computing income from other sources.

1. Zakat on profit on debt / interest income
 2. Deduction of depreciation or initial allowance in case of lease of building altogether with plant and machinery.
- No deduction of such expenditure is allowed, which has already been deducted or is of capital nature.

MCQs

1. Capital assets means property of any kind held by a person
 - a. For personal use only
 - b. Connected with business only
 - c. Whether or not connected with a business
 - d. All of the above
2. For the tax year 2021 an open plot will be exempt from tax under capital gains, where holding period exceeds
 - a. 1 year
 - b. 2 years
 - c. 3 years
 - d. 4 years
3. For the tax year 2021 a constructive immovable property will be exempt from tax under capital gains, where holding period exceeds
 - a. 2 years
 - b. 4 years
 - c. 6 years
 - d. 8 years
4. Capital gain is the difference between
 - a. Consideration received and cost of asset
 - b. Fair market value and cost of asset
 - c. Fair market value and consideration received
 - d. Book value and cost of asset
5. Where the holding period of the capital asset is below one year percentage of gain shall be added in the taxable income
 - a. 90%
 - b. 100%
 - c. 75%
 - d. 50%
6. Where the holding period of the capital asset is more than one year and below two years percentage of gain shall be added in the taxable income
 - a. 25%
 - b. 50%
 - c. 75%
 - d. 100%
7. Where the holding period of the capital asset is more than two years and below three years percentage of gain shall be added in the taxable income
 - a. 25%
 - b. 50%
 - c. 75%
 - d. 100%
8. Where the holding period of the capital asset is more than three years and below four years percentage of gain shall be added in the taxable income
 - a. 25%
 - b. 50%
 - c. 75%
 - d. 100%

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9. Tax on capital gain on disposal of immovable property where amount of gain does not exceed 5 million is
 - a. 2.5%
 - b. 5%
 - c. 7.5%
 - d. 10%
 10. Tax on capital gain on disposal of immovable property where amount of gain exceeds 5 million but does not exceed 10 million is
 - a. 2.5%
 - b. 5%
 - c. 7.5%
 - d. 10%
 11. Tax on capital gain on disposal of immovable property where amount of gain exceeds 10 million but does not exceed 15 million is
 - a. 2.5%
 - b. 5%
 - c. 7.5%
 - d. 10%
 12. Tax on capital gain on disposal of immovable property where amount of gain exceeds 15 million
 - a. 2.5%
 - b. 5%
 - c. 7.5%
 - d. 10%
 13. Where the capital asset become the property of the person under gift, by succession, inheritance or devolution, a distribution of assets on dissolution of an association of person or on distribution of assets on liquidation of the company, cost for the purpose of calculating gain under section 37 will be
 - a. Zero
 - b. Fair market value on the date of transfer or acquisition
 - c. Book value of assets
 - d. Excise value of assets
 14. Capital assets does not include
 - a. Stock in trade
 - b. Consumable store
 - c. Raw material for business
 - d. All of above
 15. As per section 37 property which is entitled for depreciation or amortization is
 - a. a Capital Asset
 - b. not a capital asset
 - c. precious asset
 - d. valuable asset
 16. capital asset includes immovable assets
 - a. painting, sculpture, drawing or other work of art
 - b. jewelry
 - c. rare manuscript
 - d. all of above
 17. capital asset includes immovable assets
 - a. folio or book
 - b. postage stamp
 - c. coin or medallion
 - d. all of above
 18. as per section 37A security means
 - a. share of a public company
 - b. modaraba certificate
 - c. instrument of redeemable capital
 - d. all of above
 19. Capital gain on disposal of securities is
 - a. Free income
 - b. Exempt income
 - c. Separate block of income
 - d. Full income
 20. Gain on disposal of security is the difference between
 - a. Consideration received and cost of acquisition

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- b. Consideration received and fair market value
 - c. Consideration received and book value
 - d. Consideration received and price earnings ratio
21. Provision of section 37A shall not apply to
 - a. Banking company
 - b. Insurance company
 - c. Both a and b
 - d. Apply to all persons having gain on disposal of securities
 22. Gain on securities acquired before 1st July 2013 and disposed in tax year 2021 will be taxed at
 - a. 15%
 - b. 12.5%
 - c. 10%
 - d. 0%
 23. Gain on securities acquired after 1st July 2013 and disposed in tax year 2021 will be taxed at
 - a. 15%
 - b. 12.5%
 - c. 10%
 - d. 0%
 24. Gain on disposal of future commodity contract entered into by members of Pakistani mercantile exchange will be taxed in 2021 at the rate
 - a. 20%
 - b. 15%
 - c. 10%
 - d. 5%
 25. Any loss on disposal of security will be set off against the _____ in the same tax year
 - a. Capital gain on sale of immovable property
 - b. Capital gain on sale of securities
 - c. Income from other sources

- d. Income from business
26. Loss sustained in the tax year 2019 and onwards that has not been set off against the gain shall be carried forward for
 - a. Not more than two years
 - b. No loss shall be carried forward
 - c. Not more than three years
 - d. None of the above
 27. No loss on disposal of capital assets shall be deducted where a gain on disposal of such asset would
 - a. Chargeable to tax
 - b. Not chargeable to tax
 - c. Both a and b
 - d. None of above
 28. Loss on sale of painting
 - a. Loss shall be recognized
 - b. Loss shall not be recognized
 - c. Loss shall be allowed as deduction
 - d. Loss shall be added into income
 29. No loss shall be recognized under section 38 for capital asset(s)
 - a. Painting, sculpture, drawing or other work of art
 - b. Jewelry, antique, coin or medallion
 - c. Rare manuscript, folio, book, postage stamp, first day cover
 - d. All of above
 30. Income of every kind not included in any other head is not other wise exempt under income tax ordinance
 - a. Income free from tax
 - b. Income by luck
 - c. Income from other sources
 - d. Income from business
 31. Income chargeable to tax under the head income from other sources includes
 - a. Income free from tax
 - b. Income by luck
 - c. Income from other sources
 - d. Income from business

- a. Dividend, royalty
 - b. Profit on debt
 - c. Additional payment on delayed refund
 - d. All of above
32. Income chargeable to tax under the head income from other sources includes
 - a. Ground rent
 - b. Rent from sub-lease of land or building
 - c. Income from lease of building together with plant or machinery
 - d. All of above
 33. Income from provision of amenities utilities or any other service connected with renting of building is
 - a. Income from property
 - b. Income from business
 - c. Income from other sources
 - d. Capital gains
 34. Income chargeable to tax under the head income from other sources includes
 - a. Any annuity or pension
 - b. Winning on prize bond, raffle, lottery, crossword puzzle
 - c. Any consideration received for right to explore for natural resources
 - d. All of above
 35. Income chargeable to tax under the head income from other sources includes
 - a. Amount received from approved income payment plan
 - b. Amount received from approved annuity plan under voluntary pension system
 - c. Any gift received without consideration other than gift from relatives
 - d. All of above
36. any amount received by a person as consideration for vacating the possession of a building that consideration after reducing the acquisition cost shall be charged to head income from other sources
 - a. in the tax year it is received in one go
 - b. in the tax year it is received and following nine years in equal portions
 - c. in the tax year it is received and following five years in equal portions
 - d. none of above
 37. any loan, advance deposit, or gift received by a person from a person other than banking or financial institutes will be added to persons income from other sources if
 - a. received otherwise than by a crossed cheque
 - b. received otherwise through banking channel
 - c. from a person not holding a National Tax Number
 - d. All of the above.
 38. Any amount of arrears against any national saving certificates if relates to a tax year where tax rate was lower than the tax year in which the amount is actually received the person may apply _____ by due date of furnishing of return for lower tax rate.
 - a. Assistant commissioner
 - b. Deputy commissioner
 - c. Additional commissioner
 - d. Commissioner
 39. Deduction of expenditure is admission against the income chargeable to tax under the head income from other sources except
 - a. Voted expenditure
 - b. Charged expenditure

39. Capital expenditure
d. Revenue expenditure
40. Zakat deduction on Profit on debt paid to a person under Zakat and Ushar Ordinance 1980 is
- Admissible deduction
 - Non admissible deduction
 - Refund
 - Rebate
41. Any amount received for renting of building along with plant and machinery is chargeable to tax under section 39 income from other sources following deduction(s) shall be allowed
- Depreciation
 - Initial allowance
 - Both a and b
 - No deduction allowed
42. No deduction of expenditure shall be allowed against the income chargeable to tax under the head income from other sources
- Where expenditure is deductible against another head
 - Expenditure is of capital nature
 - Both a and b
 - None of above
43. A gift of amount 500,000 received from a friend in cash shall be treated as
- Taxable under the head income from other sources
 - Exempt under the head income from other sources
 - Taxable under the head income from business
 - Exempt under the head income from business
44. Mr. Ali receive a gift from a friend Mr. Asif through a crossed cheque but Mr. Asif do not have National Tax Number, this gift will be

- Taxable under the head income from other sources
 - Exempt under the head income from other sources
 - Taxable under the head income from business
 - Exempt under the head income from business
45. Mr. Ali received profit on debt Rs. 500,000 against deposit in National Bank, the bank deducted Zakat Rs. 12,500 against that profit on debt, what will be the income chargeable to tax under the head income from other sources
- 512,500
 - 487,500
 - 500,000
 - 587,500

ANSWERS

1	D	11	C	21	C	31	D	41	C
2	D	12	D	22	D	32	D	42	C
3	B	13	B	23	A	33	C	43	A
4	A	14	D	24	D	34	D	44	A
5	B	15	B	25	B	35	D	45	B
6	C	16	D	26	C	36	B		
7	B	17	D	27	B	37	D		
8	A	18	D	28	B	38	D		
9	A	19	C	29	D	39	C		
10	B	20	A	30	C	40	A		

EXEMPTIONS, CONCESSIONS, SET OFF AND CARRY FORWARD OF LOSSES AND DEDUCTIBLE ALLOWANCES

Sec 41 Agriculture Income

Agriculture income means revenue generated from land situated in Pakistan and used for agriculture purposes. This revenue can be either in cash or in kind. Agriculture Income is Exempt from Tax

Sec 42 Diplomatic and united nation exemption

Income from the United Nation is exempt as per ITO 2001, pension for such post against which salary was exempt from that shall also be free of tax

Sec 43 Foreign Govt Officials

Salary received by a foreign govt. employee for the services he rendered in Pakistan is exempt.

Sec 44

Exemption under international agreement

Income under a tax treaty or aid agreement from Pakistan source is exempt.

Sec 45 President's honor/ award, medal, monetary award is exempt from tax

Sec 46. Profit received by a non-resident on approved security issued by a resident is exempt provided that persons are not associates; security was widely issued by resident outside Pakistan for raising loan for business running in Pakistan and profit was paid outside Pakistan.

Sec 47. Scholarship for education in exempt

Sec 48. Support payments to live apart to spouse is exempt

Sec 49. Income of government is exempt including federal, provincial or local government from a business carried on within its geographical jurisdiction.

Note: exemption not allowed to the corporations, company, regulatory authority etc

Sec 50. Foreign income of short-term resident i.e. present in Pakistan not exceeding 3 years.

Sec 54. No other law has provision except Income Tax Ordinance 2001 for exemption from Income Tax.

Sec 55. Limitation of exemption

Exemption is only allowed if no specific provision / provisions provided in the income tax ordinance 2001 and exemption is limited to the amount for which specific provision is not provided therein and shall not be extended to the whole income of the person.

Sec 56 set off of losses

A person is allowed to set off the loss of his any block of income against the whole income except the losses which are not allowed to set off or such losses which are only allowed to be set off in the same head of income i.e. income from speculation business, Income from capital gains.

Sec 56A. In case of chain of hotels registered in Pakistan or AJK and operating in Pakistan or AJK shall set off the losses in one unit i.e. PC hotel shall be considered one unit and income or loss all of its branches in Pakistan and AJK shall be computed in a single return.

Sec 57. If business loss is not fully set off against the income from business, it shall

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be carried forward for preparation years following the tax year in which loss was first computed moreover if in more than one tax years the business earns loss then the loss which occur first shall be set off first.

If loss is because of depreciation / initial allowance / first year allowance then the loss shall be carried forward and set off until fully set off.

Sec 57A in case of amalgamation the loss of amalgamated company shall have the permission to carry forward the loss up to six years following the year in which loss was first computed the loss of the earliest tax year shall be set off first.

Sec 58. Loss of speculation business is allowed to be carried forward if not fully set off but it shall be set off against the income from speculation business only.

Sec 59. If capital loss occurs and is not wholly set off against person's total taxable income then such loss shall be carried forward but shall be set off against the capital gains only and loss can be carried forward up to six years following the year in which loss was first computed the loss of the earliest tax year shall be set off first.

Sec 60 zakat paid by a person under zakat and usher ordinance is a deductible allowance

Sec 60A Welfare Fund paid by the person in tax year under Workers' Welfare Fund Ordinance, 1971 is a deductible allowance

Sec 60B amount of any Worker's participation fund paid by a person is a deductible allowance

Sec 60C amount of any Profit on Debt paid by an individual person is a deductible allowance if paid to scheduled bank or non-banking financial institute on a loan for construction of a new house or acquisition of house.

Sec 60D amount of any education expenses for children education paid by an individual person having taxable income less than one and a half million rupees, is

a deductible allowed admissible to maximum of 60,000 per child.

MCQs

1. Agricultural income includes
 - a. Rent or revenue derived from land used for agricultural purposes
 - b. Agriculture
 - c. Income derived from cultivation
 - d. All of the above
2. As per section 41 agricultural income includes
 - a. Rent in kind receive by a person to take it to market
 - b. Sale by a cultivator or receiver of rent in kind
 - c. Rent of building owned and occupied by receiver of rent in kind
 - d. All of the above
3. As per section 41 agricultural income includes
 - a. Income derived from building owned and occupied by cultivator
 - b. Income derived from building owner and occupied by the receiver of rent in kind
 - c. Both a and b
 - d. None of above
4. As per section 41 agricultural income is a part of total income as
 - a. Exempt income
 - b. Taxable income
 - c. Imputable income
 - d. Revenue income
5. Income of diplomatic and United Nations is exempt from tax as per section
 - a. 41
 - b. 42
 - c. 43
 - d. 44

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6. Pension received from united nations or its specialized agencies including international court of justice is exempt where:
 - a. Salary of such employment was exempt
 - b. If amount is received in dollars
 - c. If tax was deducted by united nations
 - d. None of above
 7. As per section 42 of the Income Tax Ordinance 2001, Income tax exemption has been provided for
 - a. Diplomates
 - b. Consular
 - c. Both a and b
 - d. None of above
 8. As per section 43 foreign government officials are provided exemption from income tax for any salary received provided
 - a. The employee is a citizen of foreign country and not a citizen of Pakistan
 - b. The employee is performing similar duties as performed by employees of Federal Government of Pakistan in the foreign countries
 - c. The foreign government grants a similar exemption to the employees of the federal government performing similar duties in foreign country
 - d. All of the above
 9. Income of any individual either a resident or a not resident performing services under the Aid Agreement shall be
 - a. Taxable
 - b. Exempt
 - c. Taxable at lower rates
 - d. None of the above
 10. Monetary award granted to a person by the president of Pakistan shall be
 - a. Taxable
 - b. Exempt
 - c. Taxable at lower rates
 - d. None of the above
 11. Any profit received by a non-resident person on a security issued by a resident person shall be exempt from tax where:
 - a. The persons are not associates
 - b. Security was approved from board and widely issued for raising a loan outside Pakistan for a business in Pakistan
 - c. Profit was paid outside Pakistan
 - d. All of above
 12. A person granted scholarship to meet the cost of person's education is
 - a. Taxable
 - b. Exempt
 - c. Taxable at lower rates
 - d. None of the above
 13. A person granted scholarship to meet the cost of person's education shall be exempt from tax where:
 - a. Where scholarship was not paid by an associate
 - b. Where scholarship was paid in cash
 - c. Where scholarship was paid through banking means
 - d. None of the above
 14. A lady gets 500,000 per annum from her spouse under an agreement to live apart, this amount shall be
 - a. Taxable
 - b. Exempt
 - c. Taxable at lower rates
 - d. None of the above
 15. Income of the following shall be exempt from tax

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- a. Federal Government
 - b. Provincial Government
 - c. Local Government
 - d. All of the above
16. Any payment received by Federal Government, Provincial Govt. or a Local Government
- a. Shall be liable to any collection or deduction of advance tax
 - b. Shall not be liable to any collection or deduction of advance tax
 - c. May be liable to any collection or deduction of advance tax
 - d. None of above
17. As per section 49 income of Punjab curriculum and tax book board a body corporate under Punjab curriculum and text book board act 2012, shall be
- a. Taxable
 - b. Exempt
 - c. Taxable at lower rates
 - d. None of the above
18. Income of Punjab power company, a public company owned and controlled by the Government of the Punjab shall be
- a. Taxable
 - b. Exempt
 - c. Taxable at lower rates
 - d. None of the above
19. As per section 49, Income from sale of spectrum license issued by Pakistan Telecommunication Authority (PTA) shall be treated as
- a. Exempt income of Federal Government
 - b. Taxable income of Federal Government
 - c. Exempt income of PTA
 - d. Taxable income of PTA
20. A citizen of Pakistan leaves Pakistan during a tax year and remains abroad during the tax

- year and earns income under the head salary, the income shall be
- a. Taxable under the head income from salary
 - b. Taxable under the head income from other sources
 - c. Exempt under the head income from salary
 - d. Exempt under the ITO 2001
21. In the income tax ordinance 2001 Exemption and secessions are provided in the
- a. First Schedule
 - b. Second Schedule
 - c. Third Schedule
 - d. Sixth Schedule
22. Exemptions and tax concessions provided in the second schedule of Income Tax Ordinance 2001 are granted legal cover under section
- a. 51
 - b. 52
 - c. 53
 - d. 54
23. Exemption under the second schedule of income tax ordinance 2001 includes
- a. Exemption from tax on total income
 - b. Exemption from tax on specific provision of law
 - c. Exemption from tax on specific business operation
 - d. All of the above
24. As per section 54 any exemption from income tax given in any other law or reduction of rate of tax imposed or reduction in tax liability shall
- a. Apply mutatis mutandis
 - b. Shall have full legal effect
 - c. Shall have legal effect unless also provided in income tax ordinance 2001
 - d. Applied as a special law

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25. If a person earns income exempt from tax under income tax ordinance 2001, this exemption:
- a. Shall be extended to any person received payment out of that income
 - b. Shall not be extended to any person receiving payment out of that income
 - c. Whole chain of recipient out of that income will enjoy exemption
 - d. None of above
26. Loss is
- a. Difference between profit and admissible expenses & deductions
 - b. Excess over of allowable deductions and expenses over profits and gains.
 - c. Poor performance of business.
 - d. None of the above.
27. Under the following head of Income, no loss is allowed to be adjusted.
- a. Salary
 - b. Business
 - c. Property
 - d. Other Sources
28. Under section _____ a person can set off loss for any tax year under any head of income as per prescribed scheme.
- a. 56
 - b. 57
 - c. 58
 - d. 59
29. Loss from Speculation business can be adjusted under following head.
- a. Salary
 - b. Speculation Business
 - c. Property
 - d. Other Sources
30. Where losses under different heads occur, the loss under following head will be adjusted at last.
- a. Salary
 - b. Business
 - c. Property
 - d. Other Sources
31. The loss which is not allowed to be set off against any head of income is
- a. Allowed to be carried forward
 - b. Not allowed to be carried forward
 - c. Allowed to be adjusted under any head
 - d. None of the above.
32. Speculation loss can only be adjusted under the head of
- a. Salary
 - b. Property
 - c. Other Sources
 - d. Speculation Business
33. Capital Loss can only be adjusted under the following head
- a. Salary
 - b. Business
 - c. Other Sources
 - d. Capital Gains
34. Capital Loss can be carried forwarded for
- a. One Year
 - b. Three years
 - c. Five Years
 - d. Six Years
35. In the case of succession of business, except inheritance, a person:
- a. Can carry forward 100 percent loss to the next year
 - b. Can only carry forward 50 percent lost to the next year
 - c. Cannot bring forward loss to the next year.
 - d. None of the above.

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36. Where the loss is because of depreciation, initial allowance or amortization this shall be carried forward for:
- Six years
 - Nine years
 - Carried forward until completely set off
 - None of the above
37. Where the loss is because of depreciation, initial allowance or amortization this shall be set off against 100% of the business income if taxable income under the head income from business is:
- Less than 10 million rupees
 - Less than 5 million rupees
 - Less than 2 million rupees
 - Less than 1 million rupees
38. Amalgamated company can set off the losses of amalgamating company or companies and carry forward for six years if the loss is not set off against the business income if:
- Loss is not capital loss
 - Loss is not brought forward loss
 - Both a and b
 - None of the above
39. As per section 59AA companies locally incorporated under Companies ordinance 1984 or Companies act 2017 a facility of group taxation has been provided with condition(s):
- Irrevocable option for taxation as one fiscal unit
 - Group taxation would not be available to losses prior to formation of the group
 - Group of companies comply with corporate governance requirements as specified by SECP or Board
 - All of the above

40. As per section 59B a subsidiary of a holding company may surrender its assessed loss in favour of its holding company provided
- Loss is not capital loss or brought forward loss
 - A listed company as holding company hold fifty five percent or more shares in subsidiary company
 - A un-listed company as holding company hold seventy five percent or more shares in subsidiary company
 - All of the above
41. As per section 60 of the income tax ordinance 2001 Zakat is a
- Deduction
 - Deductible allowance
 - Rebate
 - Refund
42. Zakat shall be deductible allowance and shall be deducted from the total income to arrive at
- Taxable income under section 9
 - Total income under section 10
 - Income chargeable to under head income from business under section 18
 - Income chargeable to under head income from other sources under section 39
43. If Zakat is paid in person to some needy people other than paid under zakat and ushar ordinance 1980
- Shall be a deductible allowance
 - Shall be a deduction
 - Shall be a refund
 - None of above
44. Worker's welfare fund is applied at
- 2% of net profit
 - 2.5% of net profit

- 1.5% of turn over
 - 1.25% of turn over
45. Worker's welfare fund is a deductible allowance under section
- 60
 - 60A
 - 60B
 - 60C
46. As per section 60B Workers' participation fund under workers participation fund act 1968 is
- Deduction
 - Deductible allowance
 - Rebate
 - Refund
47. Any profit on debt paid on a house building loan from a scheduled bank for construction or acquisition of a house is a deductible allowance provided that
- Load is taken by individual
 - Profit on loan does not exceed fifty percent of taxable income
 - Maximum of two million rupees
 - All of the above
48. Educational expenses paid for children education is a deductible allowance provided that
- Person is an individual
 - Taxable income of the individual is less than one and a half million rupees
 - Both a and b
 - None of the above
49. As per section 60D deductible allowance for education expenses shall be
- Five percent of tuition fee
 - Twenty-five percent of person's taxable income
 - Sixty thousand for each child
 - Lessor of a, b and c

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50. Conditions for Deductible allowance for education expenses under section 60D is/are
- Shall not be carried forward
 - Shall be allowed to either of parent on furnishing NTN of the educational institute
 - Shall not be taken into account for deduction under section 149
 - All of the above

ANSWERS

1	D	11	D	21	B	31	B	41	B
2	D	12	B	22	C	32	D	42	A
3	C	13	A	23	D	33	D	43	D
4	A	14	B	24	C	34	D	44	A
5	B	15	D	25	B	35	C	45	B
6	A	16	B	26	A	36	C	46	B
7	C	17	A	27	A	37	A	47	D
8	D	18	A	28	A	38	C	48	C
9	B	19	A	29	B	39	D	49	D
10	B	20	D	30	B	40	D	50	D

TAX CREDITS

Sec 61 Charitable donation

Tax credit shall be allowed in case:

1. Charity to any board of education or university established under any provincial or federal law either in government or private control
2. Any educational or health institute established by federal / provincial / local government
3. Any non-profit organization

Tax credit shall be computed as follow
Note charity must be done using banking means i.e. crossed cheque etc

$$(A/B) \times C$$

where —

- A is the amount of tax assessed to the person for the tax year before allowance of any tax credit under this Part;
- B is the person's taxable income for the tax year; and
- C is the lesser of —
- (a) The total amount of the person's donations referred in the year, including the fair market value of any property given; or
 - (b) Where the person is —
 - (i) An individual or association of persons, thirty per cent of the taxable income of the person for the year; or
 - (ii) A company, twenty per cent of the taxable income of the person for the year.

Sec 62 Tax credit for Investment in shares and Insurance

Tax credit for investment in shares and insurance premium paid by a

person other than a company is allowed

Provided the person paying insurance premium is resident and deriving income from salary or business.

The amount of a person's tax credit allowed for a tax year shall be computed according to the following formula, namely:—

$$(A/B) \times C$$

where—

- A is the amount of tax assessed to the person for the tax year before allowance of any tax credit under this Part;
- B is the person's taxable income for the tax year; and
- C is the lesser of —
- (a) The total cost of acquiring the shares, or the total contribution or premium paid by the person in the year;
 - (b) twenty per cent of the person's taxable income for the year; or
 - (c) one million rupees.

Note if the person has made a disposal of the share within twenty-four months of the date of acquisition, the amount of tax payable by the person for the tax year in which the shares were disposed of shall be increased by the amount of the credit allowed.

Sec 63 Contribution to an Approved Pension Fund

Any person deriving income chargeable to tax under income from salary is entitled to a tax credit for a tax year in respect of any contribution or premium paid in the year by the person in approved pension fund under

the Voluntary Pension System Rules, 2005.

The amount of a person's tax credit allowed for a tax year shall be computed according to the following formula, namely:

$$(A/B) \times C$$

Where.-

- A is the amount of tax assessed to the person for the tax year, before allowance of any tax credit under this Part;
- B is the person's taxable income for the tax year; and
- C is the lesser of —
- (i) The total contribution or premium referred to in sub-section (1) paid by the person in the year; or
 - (ii) twenty per cent of the person's taxable income for the relevant tax year; Provided that an person joining the pension fund at the age of forty-one years or above, during the first ten years starting from July 1, 2006 shall be allowed additional contribution of 2% per annum for each year of age exceeding forty years. Provided further that the total contribution allowed to such person shall not exceed 50% of the total taxable income of the preceding year

Note transfer of balance of any other annuity or saving account to the said pension account does not qualify for tax credit

Sec 65A Tax credit to a person registered under the Sales Tax Act, 1990

2.50% of tax payable if 90% or above sales are made to sales tax registered persons

Note for claim of credit the person shall provide complete details of the persons to whom the sales were made, moreover no credit will be allowed to a person whose income is covered under final tax or minimum tax

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Sec 65B New plant and machinery is purchased and installed in already running industrial unit during 1-7-2010 to 30-06-2019, from tax year 2019, 5% of the amount so invested.

New plant and machinery is purchased and installed in already running industrial unit with 100% capital and no loan except short term loan for working capital during 1-7-2011 to 30-06-2016, 20% of the amount so invested shall be allowed as tax credit

Sec 65C. If a company gets itself enlisted at any stock exchange, 20% of tax payable shall be allowed as a credit in the year of registration / enlistment and three years following the tax year of enlistment, moreover tax credit for last two years shall be 10%

Sec 65D. If a company is incorporated and industrial undertaking is setup between the first day of July, 2011 and 30th day of June, 2021 with 75% capital and no loan except short term loan for working, tax credit as a proration of new shares and total investment on tax payable including final tax and minimum tax, shall be allowed for a period of five year from the date of its commencement / commercial production

Sec 65E. Company is incorporated and industrial undertaking is setup before first day of July, 2011 or any plant and machinery is installed for extension or set up a new project between first day of July, 2011 and 30th day of June, 2016 with 100% capital and no loan except short term loan for working capital, 100% tax credit on tax payable including final tax and minimum tax shall be allowed if separate account for that extension/ project are made otherwise portion between new equity- total equity. Tax credit will be for the year in which extension took place and four subsequent tax years.

Note in case credit exceeds the amount of tax due, loss shall be carried forward but not more than two years

MCQs

1. A person shall be entitled to take credit to a tax credit in respect of any sum paid or any property given by a person in donation to
 - a. Any board of education or any university in Pakistan under federal or provincial law
 - b. Any hospital or relief fund established or run in Pakistan, by federal, provincial, or local government
 - c. Any non-profit organization
 - d. All of above
2. Charitable donations are entitled to tax credit under section
 - a. 61
 - b. 62
 - c. 63
 - d. 64
3. For individuals' maximum amount admissible for computation of tax credit under section 61
 - a. 20% of taxable income
 - b. 30% of taxable income
 - c. 40% of taxable income
 - d. 50% of taxable income
4. For a person being a company maximum amount admissible for computation of tax credit under section 61
 - a. 20% of taxable income
 - b. 30% of taxable income
 - c. 40% of taxable income
 - d. 50% of taxable income
5. Any sum paid or property is given to an associate by a donor if recipient is individual or AOP maximum amount admissible for computation of tax credit
 - a. 10% of taxable income
 - b. 15% of taxable income
 - c. 20% of taxable income
 - d. 30% of taxable income
6. Any sum paid or property is given to an associate by a donor if recipient is a company maximum amount admissible for computation of tax credit
 - a. 10% of taxable income
 - b. 15% of taxable income
 - c. 20% of taxable income
 - d. 30% of taxable income
7. Investment in shares and insurance is admissible for tax credit under section
 - a. 61
 - b. 62
 - c. 63
 - d. 64
8. Tax credit under section 62 is admissible where:
 - a. New shares are purchased as a result of initial public offering
 - b. Purchased Shares of company already listed and traded in Pakistan stock exchange
 - c. Sukuks offered to the public, by public company listed and traded on Pakistan Stock Exchange
 - d. A and c
9. Tax credit for investment in life insurance under section 62 is admissible for an individual earning income chargeable to tax under the head(s)
 - a. Salary
 - b. Income from Other sources
 - c. Both a and b
 - d. None of above
10. Maximum amount admissible for computation of tax credit for investment in shares and insurance under section 62 shall be
 - a. Cost of shares, sukuks, insurance premium
 - b. Twenty per cent of personals taxable income for the year

- c. Two million rupees
 - d. Lesser of a,b and c
11. Tax credit is computed on pro rata basis considering $(A/b)*C$ where A is the tax assessed, b is taxable income for the year and C is
 - a. Amount admissible for computation of tax credit
 - b. Twenty five per cent of taxable income
 - c. One and half million rupees
 - d. None of above
12. As per section 62 a resident person other than a company is entitled to a tax credit for investment in health insurance and maximum amount for computation of tax credit shall be
 - a. Premium of health insurance paid
 - b. Five per cent of taxable income
 - c. One hundred and fifty thousand rupees
 - d. Lesser of a, b and c
13. As per section 63 Contribution to approved pension fund is
 - a. Tax credit
 - b. Deduction
 - c. Deductible allowance
 - d. Refund
14. For a person below 40 years of age maximum permissible limit of contribution for computation of tax credit for contribution to an approved pension fund is
 - a. 10% of taxable income
 - b. 15% of taxable income
 - c. 20% of taxable income
 - d. 25% of taxable income
15. 10% Tax credit for ten years has been granted on employment generation by manufacturer as per section 64B where:
 - a. A new manufacturing unit has been set up between 1st July 2015 and 30th June 2019
- b. Employees more than fifty registered with EOBI and social security
 - c. Manufacturing unit is managed by a company and not established by splitting up or reconstruction of already existing undertaking
 - d. All of the above
16. As per section 65B tax credit equals to five percent has been provided to companies for investment in
 - a. Plant and machinery
 - b. Extension, expansion
 - c. Balancing, modernizing and replacement
 - d. All of the above
17. Provision of section 65B tax credit for investment shall apply if the plant and machinery is purchased and instead at any time between
 - a. 1st July 2009 and 30th June 2019
 - b. 1st July 2010 and 30th June 2019
 - c. 1st July 2011 and 30th June 2020
 - d. None of the above
18. As per section 65C if a company opts for enlistment in Pakistan stock exchange on or before 30th June 2022 it shall be granted tax credit:
 - a. Twenty per cent for three years
 - b. Twenty percent for four years
 - c. Twenty percent for two years and ten percent for following two years
 - d. Twenty percent for one year and ten percent for following three years
19. Tax credit for newly established undertaking is provided under section
 - a. 65C

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- b. 65D
- c. 65E
- d. 65B
- 20. Tax credit under section 65D shall be admissible to the person(s)
 - a. Individual
 - b. AOP
 - c. Company
 - d. All of the above
- 21. As per section 65D Tax credit is admissible for industrial undertaking setup between:
 - a. 1st July 2009 and 30th June 2018
 - b. 1st July 2010 and 30th June 2019
 - c. 1st July 2011 and 30th June 2021
 - d. None of the above
- 22. As per section 65D Tax credit is admissible for industrial undertaking set up with at least
 - a. 50% equity raised through issuance of new shares
 - b. 75% equity raised through issuance of new shares
 - c. 100% equity raised through issuance of new shares
 - d. 25% equity raised through issuance of new shares
- 23. As per section 65D Tax credit is not admissible for industrial undertaking set up with
 - a. Splitting up of existing undertaking
 - b. Reconstruction of existing undertaking
 - c. Transfer of plant or machinery already in use in Pakistan
 - d. All of the above
- 24. As per section 65D Tax credit is admissible for new industrial undertaking for
 - a. Four years
 - b. Five years
 - c. Three years
 - d. Ten years
- 25. As per section 65D Tax credit is admissible for industrial undertaking set up with
 - a. New Equity and long-term debts
 - b. New equity and long-term loan from directors
 - c. New equity and short-term individual loans for working capital
 - d. New equity and short-term loans from banks/ financial institution for working capital
- 26. For tax credit for investment new equity means
 - a. Fresh issue of shares against cash consideration
 - b. Loan from share holders
 - c. Loan from directors
 - d. All of above
- 27. Tax credit for investment in newly established undertaking is admissible against
 - a. Turnover tax
 - b. Minimum tax
 - c. Final tax
 - d. All of the above
- 28. Tax credit for industrial undertaking established between before 1st July 2011 and 30th June 2021 is provided in section
 - a. 65B
 - b. 65D
 - c. 65E
 - d. 65J
- 29. Tax credit for industrial undertaking established before 1st July 2011, provided in section 65E is for
 - a. Expansion of the plant and machinery already installed therein
 - b. Undertaking a new project
 - c. Both a and b

- d. None of the above
- 30. Tax credit for industrial undertaking established before 1st July 2011, provided in section 65E is for a period of
 - a. Three years
 - b. Five years
 - c. Seven years
 - d. Nine years

ANSWERS

1	D	11	A	21	C
2	A	12	D	22	B
3	B	13	A	23	D
4	A	14	C	24	B
5	B	15	D	25	D
6	A	16	D	26	A
7	B	17	B	27	D
8	D	18	C	28	B
9	C	19	B	29	C
10	D	20	C	30	B

COLLECTION AND RECOVERY OF TAX

Sec 137 Due date for payment of tax

Any date specified by the board or commissioner. Commissioner may allow paying taxes in installment if a person default to pay his installment of tax by the due date pre-specified. All the outstanding shall be immediately payable.

If notice of assessment or provisional assessment served by the commissioner then the due date is within 30 days of the service of the notice

Sec 138 Recovery of tax out of property and through arrest of taxpayer

Commissioner may proceed to recover the arrears of tax through following means

- attachment and sale of any movable or immovable property of the taxpayer;
- appointment of a receiver for the management of the movable or immovable property of the taxpayer; and
- Arrest of the taxpayer and his detention in prison for a period not exceeding six months.

Sec 138A Recovery of tax by District Officer (Revenue)

The Commissioner may forward to the District Officer (Revenue) of the district in which the taxpayer resides or carries on business or in which any property belonging to the taxpayer is situated, a certificate specifying the amount of any tax due from the taxpayer, and, on receipt of such certificate, the District Officer (Revenue) shall proceed to recover from the taxpayer the amount so specified as it were an arrear of land revenue

Sec 138B. Estate in bankruptcy

If tax liability is incurred by an estate in bankruptcy, the tax shall be deemed to be a current expenditure in the operations of

the estate in bankruptcy and shall be paid before the claims preferred by other creditors are settled.

Sec 139. Collection of tax in the case of private companies and associations of persons

If in respect of any tax year, tax cannot be recovered from the company, every person who was, at any time in that tax year —

- a director of the company, other than an employed director; or
- a shareholder in the company owning not less than ten per cent of the paid-up capital of the company,

shall be jointly and severally liable for payment of the tax due by the company, directors or shareholders are who pays the amount of tax are therefore allowed to recover the part of the tax thereof from other directors or shareholders as per their share/holding.

Sec 140. Recovery of tax from persons holding money on behalf of a taxpayer

The Commissioner may, by notice, in writing, require any person —

- owing or who may owe money to the taxpayer; or
- holding or who may hold money for, or on account of the taxpayer;
- holding or who may hold money on account of some other person for payment to the taxpayer; or
- having authority of some other person to pay money to the taxpayer,

to pay to the Commissioner so much of the money as set out in the notice by the date set out in the notice

Sec 141. Liquidators

a liquidator of a company; a receiver appointed by a Court or appointed out of Court; a trustee for a bankrupt, or a mortgagee in possession, shall, within fourteen days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the Commissioner.

Commissioner within 3 months of such notice shall intimate the liquidator about the tax payable or sent provisional assessment order and liquidator has to pay the amount of the tax after the preferred debts or set aside amount to settle the tax amount.

142. Recovery of tax due by non-resident member of an association of persons

If an amount is not recovered from non-resident member of AOP, it shall be considered the liability of the AOP itself.

143. Non-resident ship owner or charterer

Non-resident owner of the ship or the master of the ship shall file return before the departure from the port, commissioner as soon as possible notify the master of the ship about the amount of tax due.

Commissioner may allow furnishing return within 30 days from departure of the ship in necessary arrangement (bank Guarantee) are made

Tax liability has to be paid by the master of the ship or the owner / charterer

If tax liability is unpaid then commissioner may ask the collector of customs to not clear any ship from any port in Pakistan of the defaulter.

Sec 144 Non-resident aircraft owner or charterer

Non resident owner has to furnish a return to the commissioner within 45 days from the closing of every quarter. Commissioner

shall notify the amount of tax due if it remains un-paid after 3 months of the service of the notice. Commissioner may issue a certificate to the authority / authorities not to clear any air craft relates to the said non-resident owner / charterer.

Sec 146 Recovery of tax from persons assessed in Azad Jammu and Kashmir

If a resident of Pakistan failed to pay tax related and assessed in AJK the deputy commissioner AJK may forward a certificate to the commissioner having information about the tax due and the details of property related to the defaulter. If the commissioner fails to recover then he can send a certificate to the District officer Revenue in which defaulter resides or have property and district officer revenue shall recover the said amount in such manner as these were the arrears of land revenue

MCQs

- Tax Payable by a taxpayer is due on the date of:
 - Due date for filling income tax returns
 - The date intimated by an income tax authority
 - Both a & b
 - None of the above.
- Demand notice is sent u/s :
 - 137
 - 138
 - 140
 - None of the above
- Demand notice is sent when:
 - An order creating tax demand is passed by an income tax officer.
 - Government needs revenue to meet up budget
 - The tax year is about to end
 - None of the above.
- Before Demand notice, following notice/order is sent/passed:

- a. Show cause notice
 - b. Assessment order
 - c. Both a & b
 - d. None of the above.
- 5) Demand notice is issued in the wake of:
- a. Assessment order
 - b. Amended assessment order
 - c. Provisional assessment order
 - d. All of above
- 6) How many days are given to the taxpayer after the issuance of demand notice under section 137(2)
- a. 15 days
 - b. 30 days
 - c. 45 days
 - d. None of the above.
- 7) If an order is passed under section 122D (Agreed Assessment), the taxpayer shall have the right to prefer appeal within.
- a. 15 days
 - b. 30 days
 - c. 60 days
 - d. None of the above.
- 8) Who can grant the taxpayer an extension of time for payment of due tax or pay tax in installments:
- a. Inspector Inland Revenue
 - b. Assistant Commissioner
 - c. Additional Commissioner
 - d. Commissioner
- 9) Default Surcharge is payable:
- a. When a person fails to pay tax on or before due date.
 - b. When the taxpayer defaults payments after grant of extension of time
 - c. When a person fails to pay penalty
 - d. All of above.

- 10) If a taxpayer fails to pay tax within due date or after expiry of service of notice under section 137(2),
- a. The commissioner will write off the demand
 - b. The commissioner will call him into his office
 - c. The commissioner will attach his property
 - d. The commissioner shall issue a notice u/s 138(1)
- 11) If a taxpayer does not deposit the tax due after the issuance of notice u/s 138, the commissioner may:
- a. Attach and sell any immovable and moveable property of the taxpayer.
 - b. Appoint a receiver for the management of the moveable or immovable property of the taxpayer
 - c. Arrest the taxpayer and detain him for period not exceeding six months
 - d. All of above
- 12) For the recovery of tax, the commissioner has :
- a. Police powers as under Criminal Procedure Code
 - b. Powers of a civil court under Civil Procedure Code
 - c. Powers under National Accountability Ordinance
 - d. None of above.
- 13) If a taxpayer liable to pay tax is declared insolvent, the tax liability under this ordinance shall pass on to:
- a. Estate in Bankruptcy
 - b. His Son
 - c. His Wife
 - d. His relatives
- 14) If a company has tax payable and it is liquidated and tax still remain

- outstanding, the amount of tax will be recovered from:
- a. Director of the company other than employed director
 - b. A shareholder of the company hold at least 10 % shares.
 - c. Both a & b
 - d. None of above.
- 15) In case of an AOP defaults from tax payment, it can be recovered from
- a. The AOP only
 - b. From the members of AOP
 - c. From the property of AOP
 - d. All of above
- 16) Recovery under section _____ is effected if the taxpayer fails to pay tax in wake of notices under section 137 and 138 and 139
- a. 140
 - b. 141
 - c. 142
 - d. 143
- 17) For recovering any tax due by a taxpayer, the commissioner may require any person _____ to pay to the commissioner so much of money as set out in the notice.
- a. Owning/ Holding or who may owe / hold money to the taxpayer
 - b. Holding or who may hold money on account of other person for payment to the taxpayer
 - c. Having authority of some other person to pay money to the taxpayer.
 - d. All of above.
- 18) If a tax payer has filed appeal u/s 127 against an order and has also submitted 25% of the tax due, the commissioner
- a. Shall not issue notice u/s 140

- Jobs Test Preparation
- b. Shall issue notice u/s 140
 - c. Shall recover the amount through coercive means
 - d. None of above.
- 19) In case of a defaulter is a salaried taxpayer, the commissioner can ask the employer some specific payment as an installment _____ to recover the tax due.
- a. Each month
 - b. Every three months
 - c. Every six months
 - d. Every year
- 20) The word liquidator in Income Tax Ordinance 2001 includes:
- a. A liquidator of a company
 - b. A receiver appointed by a court or appointed out of court
 - c. A trustee for a bankrupt or A mortgagee in possession
 - d. All of above
- 21) Liquidator within _____ days after his appointment give notice After receipt of notice, the commissioner will serve within days notify the liquidator in writing of the amount which appears to be sufficient meet up the tax liability of the defaulter commissioner:
- a. 14
 - b. 20
 - c. 30
 - d. 45
- 22) A master of ship is required to file return of income before his departure from Pakistan and pay tax as per provision of section _____ of ITO 2001.
- a. 143
 - b. 140
 - c. 7
 - d. 8

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23) For the initiation of recovery proceedings, there is:

- a. No time limit
- b. Five years limit
- c. One year limit
- d. None of above.

24) _____ may make scheme in respect of recovery of tax arrears or withholding taxes and waiver of default surcharge or penalty levied thereon.

- a. Federal Government
- b. The Board
- c. Chairman FBR
- d. President of Pakistan

ANSWER

1	C	11	D	21	A
2	A	12	B	22	C
3	A	13	A	23	A
4	C	14	C	24	A
5	D	15	D	25	B
6	B	16	A		
7	D	17	D		
8	D	18	A		
9	D	19	A		
10	D	20	D		

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INCOME TAX ORDINANCE PRACTICE QUESTIONS

Set-1

1. There are _____ Heads of Income:

- a) 5
- b) 3
- c) 4
- d) 2

2. If an employee receives a commission from the employer then it will be taxed under the head:

- a) Salary Income
- b) Property Income
- c) Capital Gains
- d) Other Sources Income

3. If an employer pays rent to an employee then it will be taxed under the Head _____ of the employee:

- a) Business
- b) Property
- c) Salary
- d) Income from other sources

4. Any profit or consideration for a person's agreement to enter into an employment relationship shall be taxed under the head:

- a) Income from other sources
- b) Business Income
- c) Salary Income
- d) Capital Gains Income

5. The amount of bonus a person receives on yearly, quarterly or monthly basis for any performance shall be taxable under the head:

- a) Property Income

- b) Salary Income
- c) Business Income
- d) Income from other sources

6. The amount of benefits on termination of employment, whether paid voluntarily or under an agreement, shall be _____ under the head Salary:

- a) Taxable
- b) Exempt
- c) Reduced
- d) Refunded

7. The amount of any compensation for redundancy or loss of employment, shall be _____ under the head salary:

- a) Exempt
- b) Taxable
- c) Reduced
- d) Refunded

8. The amount a person receives as consideration for an employee's agreement to a restrictive covenant in respect of any past, present or prospective employment, shall be _____ under the head Salary:

- a) Exempt
- b) Reduced
- c) Credited
- d) Taxable

9. The amount a person receives from a provident or other fund, to the extent to which the amount is not a repayment of contributions made by the employee to the fund in respect of which the employee was not entitled to a deduction, shall be _____ under

the head Salary:

- a) Taxable
 - b) Exempt
 - c) Reduced
 - d) Refunded
10. The amount a person receives under golden handshake on account of end of employment shall be _____ under the head Salary:
- a) Taxable
 - b) Exempt
 - c) Non Taxable
 - d) Refunded
11. Any perquisites provided by an employer to an employee shall be treated as salary if
- a) Convertible to shares
 - b) Convertible to shares or cash
 - c) Whether convertible to money or not
 - d) None of the above.
12. An amount or perquisite shall be treated as received by an employee from any employment regardless of whether the amount or perquisite is paid or provided:
- a) by the sister of employer
 - b) by a past employer or a prospective employer; or
 - c) to the friend of the employer.
 - e) by relative of employee
13. The expenditure incurred on behalf of the employer in the performance of the employee's duties of employment _____
- a) Is exempt from tax
 - b) Is taxable under the head salary
 - c) Is taxable under the head Business income
 - d) Is taxable under the

head Income from other sources

14. The amount of any expenditure incurred by an employee that is paid or reimbursed by the employer _____:
- a) Is exempt from tax
 - b) Is taxable under the head salary
 - c) Is partially taxable
 - d) Is taxable under the head Income from other sources
15. A person working as a soldier receives a risk allowance. His allowance will be taxed under section:
- a) 21
 - b) 12
 - c) 15
 - d) 39
16. Salary means any amount received by an employee from any employment, whether of a revenue or capital nature in the duration of:
- a) Week
 - b) Month
 - c) Day
 - d) Year
17. For the determination of Salary Head of Income, the nature of relationship must be established between the employee and the:
- a) Owner
 - b) Employer
 - c) Worker
 - d) Regulator
18. The receiving of a perquisite by an employee is also chargeable under the Head:
- a) Business
 - b) Capital Gains
 - c) Salary
 - d) Other Sources

19. As per section 12(2)(c) an allowance if received, which is solely expended in the performance of the employee's duties of employment shall be _____ from his Salary:
- a) Exempt
 - b) Taxable
 - c) Refunded
 - d) Credited
20. Following fall in the category of Salary except:
- a) Pay
 - b) Wages
 - c) Leave encashment
 - d) Profit on debt
21. Any perquisite that is received by a salaried person is:
- a) Exempted
 - b) Taxable
 - c) Creditable
 - d) Refundable
22. As per Section 12(4), no deduction is allowed for Income from _____:
- a) Business
 - b) Property
 - c) Capital Gains
 - d) Salary
23. If in a tax year, property is transferred or services are provided by an employer to an employee, the amount chargeable to tax to the employee under the head:
- a) Other Income
 - b) Salary
 - c) Business
 - d) Property
24. Salary is taxable on the basis of:
- a) Receipts
 - b) Due
 - c) Promised
 - d) Agreement
25. An MNA of National Assemble holds a public official and the amount paid to him by the government will be his _____ income:
- a) From other sources
 - b) Salary
 - c) Property
 - d) Capital Gains
26. Remuneration drawn by virtue of holding of an office or position is called:
- a) Business Income
 - b) Property Income
 - c) Salary Income
 - d) Capital Gains
27. For the condition of Employment following conditions should be met except:
- a) Monthly Salary
 - b) Weekly Salary
 - c) Quarterly Salary
 - d) Daily Salary
28. Direct remuneration to the employee in connection with employment is taxable under the head:
- a) Business Income
 - b) Property Income
 - c) Salary Income
 - d) Capital Gains
29. Indirect advantage in money or goods given by an employer to an employee under the head salary will be called:
- a) Salary
 - b) Deduction
 - c) Perquisite
 - d) Gift
30. Allowances in addition to salary (except allowance solely expended in the performance of the employee's duties) is taxable under the head:
- a) Business Income

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- b) Property Income
c) Salary Income
d) Capital Gains
31. Profits in lieu of or in addition to salary or wages shall be taxable under the head
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
32. Consideration for agreeing to accept employment shall be taxable under the head
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
33. Consideration (compensation) for agreeing to any conditions of employment or any changes to the conditions of employment shall be taxable under the head:
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
34. Payment on termination of employment, whether paid voluntarily or under an agreement and compensation for redundancy or loss of employment and golden handshake payments shall be taxable under the head:
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
35. Payment from a provident or other fund, to the extent to which the amount is not a repayment of contributions made by the employee shall be taxable under the head:
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
36. Consideration for restrictions in respect of any past, present or prospective employment shall be taxable under the head:
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
37. As per Section 12(3) the treatment of amount of tax where tax on salary is paid or payable by the employer shall be _____ under the head salary:
- a) Taxable
b) Exempt
c) Reduced
d) Credited
38. Treatment of payment under golden hand shake as per section 12(6):
- a) Taxable
b) Exempt
c) Reduced
d) Credited
39. The employee may elect for the amount to be taxed at the _____ rate of tax for the three preceding tax years if given a permission by the Commissioner.
- a) Reduced
b) Zero
c) Average
d) Advance
40. An employee is paid salary of Tax Year 2010 in November 2015, the tax rate applicable will be that of:
- a) 2015
b) 2016
c) 2010
d) 2011

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employer shall be

- a) Taxable
b) Exempt
c) Reduced
d) Credited
41. As per Section 12, the annuity paid by to an employee by the employer shall be:
- a) Taxable
b) Exempt
c) Reduced
d) Credited
42. Amount of profit at bench mark rate in case of Interest-free loan as per Section 13(7) is made part of the _____:
- a) Business income of the employee
b) Business income of the employer
c) Exempt income of the employer
d) Salary income of the employee
43. The amount to be included in salary if employer gives interest free loan:
- a) interest at 'bench mark rate'
b) interest at KIBOR minus interest charged by the employer
c) interest at PSE rate minus interest charged by KSE
d) interest at KSE rate minus interest charged by LSE
44. If an employer gives a loan to an employee which is used to acquire an asset or property which is producing income chargeable to tax, then the said loan will be _____:
- a) Taxable
b) Exempt
c) Reduced
d) Credited
45. Any Payment on behalf of the employee if done by the
- a) Taxable
b) Exempt
c) Reduced
d) Credited
46. Any Waiver of obligations on behalf of the employee if done by the employer shall be _____/Loans of the Employee as per section 13(9) shall be taxable under the head:
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
47. Any loan payment of the Employee on behalf of the employee if done by the employer shall be as per section 13(9) shall be:
- a) Business Income
b) Property Income
c) Salary Income
d) Capital Gains
48. An employer waives an obligation of Rs.100,000/- owed to it by the employee. It shall be:
- a) Exempt
b) Taxable
c) Reduced
d) Credited
49. An employee receives an advance payment of Rs.500,000/- to pay a loan to a private loan scheme. It shall be:
- a) Exempt
b) Reduced
c) Refunded
d) Taxable
50. Payment by the employer of any loan or debt owing by the employee to third person shall be _____:
- a) Exempt

Set-2

- b) Reduced
c) Taxable
d) Refunded
- 51 Provision of any perks or services to the employee is to be included in the _____ of the employee
a) Exempt Salary
b) Reduced Salary
c) Credited Salary
d) Taxable Salary
- 52 Transfer of property to the employee is to be included in the _____ salary of the employee.
a) Exempt
b) Reduced
c) Credited
d) Taxable

Key Set-1

1	A	14	B	27	D	40	A
2	A	15	B	28	C	41	A
3	C	16	D	29	C	42	D
4	C	17	B	30	C	43	A
5	B	18	C	31	C	44	A
6	A	19	A	32	C	45	A
7	B	20	D	33	C	46	C
8	D	21	B	34	C	47	C
9	A	22	D	35	C	48	B
10	A	23	B	36	C	49	D
11	C	24	A	37	A	50	C
12	B	25	B	38	A	51	D
13	A	26	C	39	C	52	D

- 1) Farewell gift received by Ali Ahsan Warraich at his retirement from his colleagues is:
a) Income from Salary
b) Income from Business
c) Income from capital Gains
d) None of These
- 2) Director of a company with complete control outside Pakistan (registered under foreign law) remains in Pakistan for 30 days during financial year 2020-21. His income chargeable to tax in Pakistan for tax year 2021 is:
a. Salary income from company
b. Total world income
c. Pakistan source income
d. None of these
- 3) Mr Asim Naseer has shown loss in Salary Income:
a. Loss in salary income is not possible
b. Loss in salary income is possible
c. Loss in salary income cannot be set off against any head
d. Loss in salary income can be set of against other heads
- 4) China Power Company Ltd registered under Chinese Law :
a. Is resident
b. Is non-resident
c. Is resident if control and management is wholly located in Pakistan
d. Is resident if control and management is partially located in Pakistan?
- 5) Tax Liability of a person with rental income of Rs 200,000/- and

- Salary income of Rs400,000/- is
a. 0
b. 1500
c. 7500
d. 10000
- 6) If rent received from a property is Rs 300,000/- Un-adjusted advance received is Rs 500,000/- recouped expense is 100,000/- and no expense are incurred to claim deduction, income of the owner of the property for the tax year 2021 is :
a. 450000/-
b. 380000/-
c. 360000/-
d. 900000/-
- 7) DCR means:
a. Demand and Collection Register
b. Demand and Collection Report
c. Demanded Cash Receipt
d. Due Cash in Rupees
- 8) Income Includes:
a. Any amount chargeable to tax under ITO 2001
b. Any amount subject to deduction and collection of tax
c. Any loss of income
d. All of above
- 9) Principle Officer with reference to a Company or AOP means
a. Chief Executive officer or Managing Partner
b. An agent or Authorized Representative
c. Office Assistant
d. Both A & B
- 10) Addition under 21(L) is not applicable in case of
a. Trading/direct expense
b. Utility bills
c. Unvouched expenses
d. Entertainment Expense
- 11) Depreciable asset includes:
a. Unimproved land
b. Patent
c. Car used for business
d. Raw Material
- 12) Structural improvement in relation to immovable property, includes
a. Porch
b. Car Shed
c. Security Guard Room
d. All of above
- 13) Eligible Depreciable Asset means a depreciable asset which is :
a. Any road transport vehicle not plying for hire
b. Any furniture, including fittings
c. Any plant or machinery that has not been used previously in Pakistan
d. All of above
- 14) Loss on sale of antique can be:
a. Set off against other Business Income
b. Only be set off against capital gains income
c. Should be carried forward and set off against capital gains income
d. Set off against Other Sources.
- 15) Income from Subletting of an apartment is
a. Property income
b. Income from other sources
c. Income from business
d. Income from Salary

- 16) Notice calling for return u/s 114(4) can be issued upto:
- 3 years
 - 5 years
 - 6 years
 - 8 years
- 17) Wealth statement is mandatory part of individual's declaration under section _____ of the Income Tax Ordinance, 2001
- 111
 - 112
 - 116
 - 117
- 18) A return is complete if
- Filed within due date
 - It is on the prescribed format
 - Is filled properly
 - Explained property
- 19) The maximum amount of charitable donation entitled for tax credit in the case of a Company is:
- 10%
 - 20%
 - 25%
 - 30%
- 20) Zakat Paid under Zakat and Usher Ordinance 1980 by a taxpayer in a tax year is entitled for
- Tax rebate
 - Tax exemption
 - Reduction from total income
 - Tax Refund
- 21) Income of an individual from a business located in GB FATA is
- Chargeable to tax under the ordinance
 - Chargeable to tax at the reduce rate
 - Not chargeable to tax under the ordinance
 - Partially Taxable
- 22) The maximum amount of charitable donation entitled for tax credit in the case of an individual is:
- 30%
 - 25%
 - 20%
 - 30%
- 23) Depreciation loss which cannot be set off against income during the relevant year can be carried forward for:
- 6 years
 - 10 years
 - Until completely set off
 - All of above
- 24) Receipt of un-adjustable advance against rent by the owner is chargeable to tax in the hands of
- Tenant
 - Owner who does not derive any benefit
 - Owner who enjoys the benefit to the extent of 10% of such amount
 - Tax Officer.
- 25) Circulars issued by the Board are binding on:
- All Income Tax authorities
 - All income tax authorities except Chief Commissioner
 - All Taxpayer
 - All Government Employees
- 26) Which one of the following includes Agricultural Income:
- Income from dairy
 - Income from sale of crops by Farmer
 - Income from a rice mill
 - Income from fruit shop
- 27) Which one of the does not constitute Agricultural Income:

- Jobs Test Preparation
- 32) Personal medical expenditures incurred by individual are entitled for:
- Tax credit
 - Refund
 - Deduction from total income
 - None of the above.
- 33) Which one of the following person is included in Active Tax Payer's List (ATL)
- Suspended Person
 - Person doing business
 - Who file return within due date
 - Who do not file his return
- 34) Order of Commissioner Appeals received by the Commissioner or Taxpayer on 28-08-2020 is contestable in Appellate Tribunal on or before:
- 28-09-2020
 - 31-12-2020
 - 28-06-2021
 - 30-06-2021
- 35) A business in which a contract for the purchase and sale of any commodity (including stock and shares) is periodically or ultimately settled otherwise than actual delivery or transfer of the commodity is called:
- Stock Investment
 - Business
 - Speculation Business
 - Trading
- 36) Which of the following does not appear to be a company as defined in the Income Tax Ordinance 2001:
- Army Welfare Trust
 - Government of Punjab
 - Innovative Enterprises
 - Naveed Akhtar Pvt Ltd
- a. Derived from Land
- b. Land is situated in Pakistan
- c. Land is used for agricultural purposes
- d. Land is situated in a foreign country
- 28) Income from the sale of tree of spontaneous growth is:
- Totally exempt
 - Totally taxable
 - Partly exempt
 - Exempt upto 600,000/-
- 29) Which of the following does not appear to be a company:
- Provincial Government
 - Local Government
 - Artificial juridical person
 - An AOP
- 30) As per Income Tax Ordinance 2001, a company does not include:
- Hindu Undivided Family
 - An AOP
 - A Firm
 - All of above
- 31) Business income of a resident person shall be Pakistan source income:
- To the extent of which it is derived from all head of income carried on in Pakistan
 - Income earned throughout the world
 - To the extent to which the income is derived from any business carried on in Pakistan
 - Sale of goods and merchandise through a permanent establishment in Pakistan and elsewhere.

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- 37) Mr Nawaz Shariq has made investment in PANAMA PVT LTD on 01-07-2020 of Rs 1000,000/- in equal proportions in debt and equity. He earned interest of Rs 50000/- from it as well as loss on sale of shares of Rs 25000/- in the period related to tax year 2021. His taxable income for the year is:
- Rs 50000/-
 - Rs 25000/-
 - Rs 75000/-
 - None of these
- 38) Income earned by Mr Left Hander, a professional cricketer from auction of bat is:
- Business income
 - Capital gains
 - Other sources
 - None of these
- 39) The term assessment includes
- Provisional Assessment
 - Re-assessment
 - Amended Assessment
 - All of the above
- 40) Dividend includes:
- Advance out of capital
 - Advance out of surplus assets
 - Reward for hard work
 - Advance out of accumulated profit
- 41) Dividend income is chargeable to tax under the head:
- Separate block of income
 - Salary
 - Business
 - Capital gains
- 42) Income of an AOP is taxable at the rates applicable to which of the following:
- Public Company
 - Private Company

- Salaried Individual
 - Non-Salaried Individual
- 43) Encashment of leave received by the government employee during the service is:
- Totally exempt
 - Totally taxable
 - Partly exempt
 - Exempt upto Rs 50000/-
- 44) Under the Income Tax Ordinance 2001, tax includes:
- Wealth tax
 - Property Tax
 - Sales Tax
 - Income Tax
- 45) Mr Altaf Hussain spent more than 183 days in Karachi during the tax year 2020 and hence can be called:
- Non-Resident
 - Resident
 - Semi resident
 - Foreign Individual
- 46) Normal Tax Year ends on 30th June and begins on:
- 1st Jan
 - 1st July
 - 1st June
 - 30th June
- 47) Which one of the following cannot be called principle officer of the company:
- Supplier
 - Director
 - Manager
 - Secretary
- 48) As per income Tax Ordinance 2001, person means:
- Individual
 - Company
 - AoP
 - All of above

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Set-3

- 49) Special Tax Year is:
- Different from Normal Tax Year
 - Also Consists of 12 months
 - May be different for different companies
 - All of above.
- 50) Small company is a company which have:
- Paid up capital with undistributed reserves below 50 million
 - Turnover below 250 million
 - Has employees not exceeding two hundred and fifty
 - All of above.

- (1) A resident individual derives share income of Rs 200,000 from an AOP for tax year 2021 and has paid zakat under the Zakat & Ushr Ordinance, 1980 at Rs.50,000. His taxable income for the said tax year will be:
- Rs 150,000
 - Zero
 - Rs.200,000
 - None of above
- (2) Mr. B, a resident individual received net dividend of Rs.90,000 from various companies during tax year 2021 after tax deduction at source at Rs.10,000. He also received salary income of Rs.450,000 during the said period. His total tax liability for tax year 2021 would be:
- Zero
 - Rs.10,000
 - Rs.11,000
 - None of the above
- (3) Income from renting out of a tractor is chargeable to tax under the head:
- Property income
 - Business income
 - Other sources
 - None of the above
- (4) Dividend received by a company from a non-resident company is chargeable to tax under:
- Section 39
 - Section 5
 - Section 18
 - None of above
- (5) Mr. Ali Raza derives net income of Rs.600,000 from a manufacturing business during

Keys Set-2

1	D	26	B
2	D	27	D
3	C	28	B
4	C	29	D
5	A	30	D
6	A	31	C
7	A	32	D
8	D	33	C
9	D	34	A
10	B	35	C
11	C	36	C
12	D	37	B
13	D	38	C
14	B	39	D
15	B	40	D
16	B	41	A
17	C	42	D
18	B	43	B
19	B	44	D
20	C	45	B
21	C	46	B
22	A	47	A
23	C	48	D
24	C	49	D
25	A	50	D

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- Mr. Mohsin has paid tax year 2021, Rs.12,000 as WWF in the same tax year. His taxable income for tax year 2021 will be
- Rs. 600,000
 - Rs. 588,000
 - Rs. 612,000
 - None of above
- (6) Income of a leasing company from lease rentals is chargeable under the head:
- Income from other sources
 - Income from property
 - Business income
 - None of the above
- (7) Profit on debt earned by an individual from lending of money (when it is not his regular business) is:
- Business Income
 - Exempt from tax
 - Income from Other Sources
 - None of the above
- (8) Late delivery charges paid by a businessman are:
- An admissible expense u/s 20(1)
 - Inadmissible expense u/s 21(f)
 - Capital expenditure
 - None of the above
- (9) Loss on disposal of a depreciable asset is
- A capital expenditure
 - An admissible deduction
 - Loss under the head 'other sources'
 - None of the above
- (10) Mr. Shankar Lal has executed an agreement with Mr. Mohsin Dasti for construction of a multi-story building to be completed in four years.

Income of Mr. Shankar from this project is duly registered with FBR:

- Chargeable to tax u/s 100A
 - Subject to final taxation
 - Chargeable to tax u/s 100B
 - Chargeable to tax u/s 100D
- (11) Mr. Imran Khan, a businessman, purchased 4 kanals of land for Rs. 5(M) and constructed a factory on it in tax year 2021. In his case, purchase of land can be considered
- a depreciable asset
 - a pre-commencement expenditure
 - an amortization expense
 - capital asset u/s 37 of the ordinance
- (12) M/s Zohaib Laboratories, a leading pharmaceutical concern, financed Ph.D. students of pharmacy department of Punjab University, Lahore to complete their research on side effects of use of steroids in epilepsy patients. This expenditure
- Can be allowed as deduction for scientific research expenditure.
 - Can not be allowed as deduction for scientific research expenditure.
 - Can be allowed as deduction under employee training and facility.
 - Can be allowed as business expenditure under section 20 of the Ordinance.
- (13) Ms Lubna Batool earns profit/gain of Rs.2,00,000/-

from sale of her car used for personal purposes. The profit/gain is taxable under the head "income from

- Business
 - Capital gain
 - Other sources
 - None of the above
- (14) Mr. Munawar has shown gross profit of Rs 500,000 for tax year 2021, whereas, total admissible deductions from business are Rs 400,000. Mr. Munawar also paid Rs. 3,00,000 as Zakat during the said tax year under Zakat and Ushr Ordinance, 1980. His taxable income for tax year 2021 will be:
- Rs. 1,00,000
 - Zero
 - Loss of Rs 2,00,000
 - None of these
- (15) Naqash Garments Private Limited purchased the symbol of Adidas from Adidas International Inc. for Rs. 10 (M) for five years and put to use for the first time on 01.01.2021. The deduction allowed to the company in the tax year 2021 under the Income Tax Ordinance, 2001 shall be:
- Rs. 2.0 million approximately
 - Rs 1.0 million approximately
 - Rs 0.5 million approximately
 - Rs. 0.1 million approximately
- (16) M/s Universal Traders claimed bad debt of Rs. 1.2 million in tax year 2018 but was allowed deduction of Rs. 0.5 (m) only by the tax authorities.

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Fortunately, M/s Universal Traders was able to recover Rs. 0.6 (m) in relation to bad debt of the tax year 2018 in tax year 2021. In tax year 2021, while computing the income under the head "income from business"

- Rs. 0.6 million shall be allowed as deduction.
 - Rs. 0.6 million shall be included in the income of M/s Universal Traders.
 - Rs. 0.1 million shall be allowed as deduction.
 - Rs. 0.1 million shall be included in the income of M/s Universal Traders.
- (17) M/S. Imtiaz Brothers, a business concern, acquired a car valuing Rs. 2.0 (m) on lease from M/s. Orix leasing Co. As per income tax ordinance, 2001, the taxpayer could rightfully claim total depreciation deduction of (Rs)
- 3,00,000
 - 11,50,000
 - 2,00,000
 - None
- (18) Mr. Salman imported harvesters from Japan for business purposes on 01.07.2020 for the cost of Rs. 10 Million. However, he used these harvesters for business purpose for first six months and remaining period on his personal agricultural land. He would be entitled to initial allowance of (Rs.)
- 5 (M)
 - 2.5 (M)
 - Nil
 - None of the above.
- (19) M/s ABC Company files returns of its total income on

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the basis of normal tax year. It acquired a patent for the cost of Rs.1 (M). Normal useful life of this patent is not ascertainable. This patent was available first time for use for the whole months of April, 2018 to June, 2008 (i.e. last quarter of financial year). The Taxpayer is entitled to claim amortization deduction of this intangible for the tax year 2018:

- (a) Rs. 1,00,000
- (b) Rs. 25,000
- (c) Rs. 10,000
- (d) Rs. 24,863

(20) Mr. Jamil, a Pakistani citizen received salary income of Rs. 500,000 in Tax Year 2020. He also received pension of Rs. 200,000 from previous employment in Dubai and another pension of Rs.180,000 from second previous employer during tax year 2020. His total income for the said tax year will be:

- (a) Rs. 5,00,000
- (b) Rs.6,80,000
- (c) Rs.7,00,000
- (d) Rs.8,80,000

(21) M/s. Genco Power Company Limited incurred certain expenditures before commissioning its 1,200 MW power station at Hub, Baluchistan. Which one of the following is **NOT** pre-commencement expenditure?

- (a) Rs. 5(M) paid to M/s. Nespak for preparing feasibility study report.
- (b) Rs. 10(M) incurred on the construction of a prototype generator.
- (c) Rs. 12(M) incurred on trial production

(d) Rs. 10(M) incurred for the purchase of land at Hub.

(22) Miss Elizabeth acquired 70 tolas jewellery on 03.10.2020 for Rs. 7,00,000/-. She sold the same on 05.10.2020 for Rs. 6,50,000/-. For tax year 2021, she is entitled to claim

- a) Capital gain of Rs. 7,00,000
- b) Capital loss of Rs. 50,000
- c) Capital gain of Rs. 6,50,000
- d) Capital loss cannot be claimed

Answer Key Set-3

1	A	12	A
2	A	13	D
3	C	14	B
4	D	15	D
5	B	16	D
6	C	17	A
7	C	18	B
8	D	19	C
9	B	20	D
10	D	21	D
11	D	22	D

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6. Charitable Donations are dealt under section _____ the ITO 2001

- a) 60
- b) 61
- c) 62
- d) 63

7. Zakat paid to poor in your vicinity can be:

- a. Claimed as deduction
- b. Cannot be claimed as deduction
- c. Depends on the condition of poor
- d. None of above.

8. Zakat paid to masakeen under fatwa from a mufti is admissible deduction:

- a. True
- b. False

9. Tax Credit for donation made to following is admissible:

- a. Donation made to University of Balochistan
- b. Donation to Lady Reading hospital Peshawar
- c. Red Cross
- d. All of above.

10. Tax Credit on the basis of health insurance premium is available to:

- a. Non-Resident Company
- b. Non-Filer Individual
- c. Resident Company
- d. Filer Individual

Set-4

1. There exists a Tax Credit for amount paid under the head of:

- a) Charitable donations paid to non-profit organization.
- b) Investment in Shares and insurance
- c) Profit on Debt for House Building
- d) All of above.

2. A Tax Credit is an incentive that allows taxpayer to:

- a) Deduct a certain amount from his total income
- b) Deduct a certain amount from his taxable income
- c) Deduct a certain amount from his total tax liability
- d) None of above.

3. Deductible Allowance means an allowance deductible from

- a) Total Income
- b) Taxable Income
- c) Tax Liability
- d) Total Expenses

4. Deductible allowance is

- a) Zakat paid under Zakat Ordinance
- b) Donation paid to approved institution
- c) Charity to Government
- d) Amount paid to Any non-profit Organization

5. Deductible Allowance is dealt in the

- a) Section 60 of Income Tax Ordinance 2001
- b) Section 61 of Income Tax Ordinance 2001
- c) Section 62 of the Income Tax Ordinance
- d) None of the Above.

Answer Set-4

- | | |
|------|-------|
| 1. D | 6. B |
| 2. C | 7. B |
| 3. B | 8. B |
| 4. A | 9. D |
| 5. A | 10. D |

LOSSES AND CARRY FORWARD OF LOSSES

1. Loss is
 - a) Excess over of allowable deductions and expenses over profits and gains.
 - b) Difference between profit and admissible expenses & deductions
 - c) Difference between profit and admissible expenses & deductions
 - d) Poor performance of business.
 - e) None of the above.
2. Under the following head of Income, no loss is allowed to be adjusted.
 - a) Salary
 - b) Business
 - c) Capital Gain
 - d) Other Sources
3. Under Section _____ of ITO 2001, a person can set off loss for any tax year under any head of income as per prescribed scheme.
 - a) 56
 - b) 57
 - c) 58
 - d) 59
4. Loss from Speculation business can be adjusted under following head.
 - a) Salary
 - b) Speculation Business
 - c) Property
 - d) Other Sources
5. Where losses under different heads occur, the loss under following head will be adjusted at last.
 - a) Salary
 - b) Property
 - c) Business
 - d) Other Sources
6. The loss which is not allowed to be set off against any head of income is
 - a) Allowed to be carried forward
 - b) Not allowed to be carried forward
 - c) Allowed to be deducted from total income
 - d) None of the above.
7. Speculation loss can only be adjusted under the head of
 - a) Speculation Business
 - b) Property
 - c) Other Sources
 - d) Salary
8. Capital Loss can only be adjusted under the following head
 - a) Salary
 - b) Business
 - c) Other Sources
 - d) Capital Gains
9. Capital Loss can be carried forwarded for
 - a) One Year
 - b) Three years
 - c) Five Years
 - d) Six Years
10. In the case of succession of business, except inheritance, a person:
 - a) Can carry forward 100 percent loss to the next year
 - b) Can only carry forward 50 percent lost to the next year
 - c) Cannot bring forward loss to the next year.
 - d) None of the above.

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- b. Approval of the FBR
 - c. Approval of the Court
 - d. Assent of directors.

Answer MCQs Losses

1	C	6	B	11	D
2	A	7	A	12	B
3	A	8	D	13	D
4	B	9	D	14	D
5	C	10	C	15	A

11. As per Section _____ of the ITO 2001, exemptions provided in other laws shall have no legal effect unless provided in the ITO 2001.
 - a) 181
 - b) 171
 - c) 54
 - d) 55
12. Exemptions available to income or classes of Income or person or classes of person mentioned in the
 - a) First Schedule
 - b) Second Schedule
 - c) Third Schedule
 - d) Fourth Schedule
13. Following income are exempt from tax
 - a) Where a person is not resident four the last preceding four years, his foreign source income will be exempt in the year he become resident
 - b). Scholarship granted to a person or Presidential honors.
 - c) Salary received by a citizen of foreign from foreign government Agriculture Income.
 - d) All of these
14. As per section 41 of the ITO, agriculture means income derived from
 - a) Rent of agricultural property
 - b) Cultivation or farming
 - c) Sale of agricultural harvest by farmer
 - d) All of above.
15. The relief under group taxation would not be available to losses prior to:
 - a. Formation of the group

MCQS FROM PAST EXAMS

- 1) On 14th August 1947, the Government of Pakistan adopted the Income Tax Act:
 - a. 1920
 - b. 1921
 - c. 1922
 - d. 1923
- 2) Which enactment was replaced by the Income Tax Ordinance, 2001:
 - a. Income Tax Act 1973
 - b. Income Tax Ordinance 1979
 - c. Income Tax Ordinance 1984
 - d. Income Tax Act 1991
- 3) Which is latest income tax law being enforce in Pakistan?
 - a. Income Tax Ordinance 1979
 - b. Income Tax Ordinance 2001
 - c. Income Tax Ordinance 2017
 - d. Income Tax Ordinance 2002
- 4) Income Tax Ordinance contains:
 - a. 240 Sections and 9 Schedules
 - b. 240 Sections and 8 Schedules
 - c. 240 Sections and 14 Schedules
 - d. 240 Section and 11 Schedules
- 5) Income Tax Rules were introduced in :
 - a. 2001
 - b. 2002
 - c. 2003
 - d. 2004
- 6) Latest amnesty Scheme was introduced by the government in
 - a. 2017
 - b. 2018
 - c. 2019
 - d. 2020
- 7) Tax rates and methods to compute tax is laid down in the finance act every:
 - a. Any time
 - b. After a year
 - c. Every six months
 - d. Every month
- 8) Following can levy tax in Pakistan
 - a. Parliament
 - b. President
 - c. Prime Minister
 - d. Both a & b
- 9) There are a total 14 schedule in the ITO 2001 and exemption are mentioned in the
 - a. First Schedule
 - b. Second Schedule
 - c. Third Schedule
 - d. Fourth Schedule
- 10) Tax Rates are mentioned in the:
 - a. First Schedule
 - b. Second Schedule
 - c. Third Schedule
 - d. Fourth Schedule
- 11) Total receipts of M/S Bahria Town company for the tax year 2020 are Rs 1,000,000/- and total expenditure incurred is Rs 500,000/- . It also paid Zakat to its low income employees of Rs 100,000/-
 - a. Taxable income is Rs 400,000/-
 - b. Taxable income is Rs 500,000/-
 - c. Taxable income is Rs 600,000/-
 - d. None of these

- 12) Dharna Looser, an AOP of five person, earned a loss of Rs 100,000/- from lease of trucks:
 - a. Loss will be allocated to members of for settling off against their personal incomes
 - b. Loss will be allocated to members for carrying forward
 - c. AOP will carry forward the loss itself
 - d. None of these.
 - 13) Dr Seemi Jamali received a wrist watch having fair market value of Rs 20,000/- from his patient who came alive out of operation theatre. Fair Market Value of the watch is chargeable to tax under head of :
 - a. Salary Income
 - b. Income from Other Sources
 - c. Business income
 - d. None of above.
 - 14) MIAN BROTHERS AND LOTS OF CHILDREN (unlimited) an AOP is running a business of Sugar and Chicken at Khanozai, Muslim Bagh Balochistan. All of its partners are non-resident and business in only partly managed in Balochistan. The AOP is:
 - a. Resident
 - b. Non-Resident
 - c. Partly Resident
 - d. None of these
 - 15) As per Income Tax Ordinance, following is not an income tax authority
 - a. Income Tax Appellate Tribunal
 - b. Assistant Commissioner
 - c. Commissioner Appeals
 - d. Inspector
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- 16) Biden, Borns and Justin are three joint owners of a plaza in Nangar Parkar. Each of them receives rent one of the three flours. They should be :
 - a. Taxed jointly as an AOP
 - b. Taxed separately as individuals
 - c. Both of above.
 - d. None of above.
 - 17) Receipt of income means:
 - a. When the sum is actually received by the taxpayer
 - b. When the sum is made available to the taxpayer.
 - c. When the sum is applied at the instruction of the taxpayer.
 - d. All of above.
 - 18) Bench Mark rate as define in the section 13 is:
 - a. 9%
 - b. 10%
 - c. 11%
 - d. 7%
 - 19) Taxpayer means a person:
 - a. Who visits Regional Tax office?
 - b. Whose income is chargeable to tax
 - c. Who represents a taxpayer?
 - d. Both b and c
 - 20) Tax liability of a full-time teacher or researcher employed in government and training institution under the head salary stands reduced by:
 - a. 40%
 - b. 50%
 - c. 25%
 - d. 75%
 - 21) Following deductions are allowed under the head income from property:

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- a Repair Allowance
 - b Insurance premium paid
 - c Ground Rent
 - d All of above
- 22) FTO stands for
- a Final Tax Office
 - b Federal Tax Office
 - c Federal Tax Ombudsman
 - d Free Tax Option
- 23) The Commissioner discovered on 01/7/2021 that a person has incurred an unexplained expenditure. In which year it will be taxed
- a 2020
 - b 2022
 - c Can be taxed in both year
 - d. None of the above.
- 24) Pre-Commencement expenditure for plant and machinery is allowed to the extent of:
- a 10%
 - b 15%
 - c 20%
 - d 30%
- 25) Zakat paid to relatives is
- a Allowable as deduction
 - b Allowed as tax credit
 - c Not allowable as deduction
 - d None of these
- 26) A person is known as salaried person if his salary income:
- a More than 75% of his taxable income
 - b More than 50% of this taxable income
 - c Equal to 50% of his taxable income.
 - d. None of above.

- 27) Personal Insurance premium expenses incurred by taxpayer are entitled for
- a. Rebate at an average rate of tax
 - b. Deduction from tax
 - c. Deduction from total income
 - d. Tax credit.
- 28) Income from Salary is computed u/s
- a. 12
 - b. 13
 - c. 11
 - d. 14
- 29) If a person whose name does not appear in Active Taxpayers List withdraws cash Rs 500,000/- in a day the banking company shall at the time of making payment will deduct tax at the rate of
- a. 0.2%
 - b. 0.3%
 - c. 0.6%
 - d. 0.5%
- 30) Special allowance includes:
- a. Travelling allowance
 - b. Daily allowance
 - c. Uniform allowance
 - d. All of the above.
- 31) Accumulated balance of a recognized provident fund which is due and payable to an employee is
- a. Taxable
 - b. Totally exempt
 - c. Partially exempt
 - d. Partially taxable
- 32) The limit of tax credit u/s 61(2) of the income tax ordinance 2001 for charitable donations for companies is
- a. 30%

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Special MCQs-1

1. As per Section 14, where, in a tax year, an employee is issued with shares under an employee share scheme including as a result of the exercise of an option or right to acquire the shares, the amount chargeable to tax to the employee under the head
 - a) Business
 - b) Other Sources
 - c) Salary
 - d) Property
2. The cost acquisition of shares under the employee share scheme shall be:
 - a) Fair market value
 - b) Exempt
 - c) Taxable
 - d) Creditable
3. As per section 14, the value of a right or option to acquire shares under an employee share scheme granted to an employee shall
 - a) be chargeable to tax.
 - b) not be chargeable to tax.
 - c) be reduced from total tax
 - d) be given as a tax credit
4. As per section 21, a pharmaceutical company fined Rs.100,000/- by the drug inspector is _____ to claim the said payment as a deduction under the head Income from Business:
 - a) Allowed
 - b) Not allowed
 - c) Halved
 - d) Reduced
5. As per section 21, following are not allowed as a deduction if paid by an association of persons to a member of the association:
 - a) any profit on debt paid

- b. 10%
- c. 15%
- d. 20%

- 33) For the tax year commencing on the 1st July 2020 bench mark rate means a 7%
- b. 9%
 - c. 10%
 - d 11%

Answer Key MCQs from Past Exams

1	C	12	C	23	B
2	B	13	B	24	C
3	B	14	A	25	C
4	C	15	A	26	A
5	B	16	A	27	D
6	C	17	D	28	A
7	B	18	D	29	C
8	D	19	D	30	d
9	B	20	C	31	B
10	A	21	D	32	D
11	B	22	C	33	A

- b) brokerage.
c) commission.
d) All of above.
6. As per section 21, a penalty of Rs 10,000/- paid to Government is _____ to be claimed as a deduction under the head Income from Business:
a) Allowed
b) Not allowed
c) Halved
d) reduced
7. As per section 21, if a person spends Rs. 10,000/- in the utilities of his home then it will _____ allowed as a deduction under the head Income from Business:
a) Not be
b) Be
c) Reduced and
d) Partially be
8. As per Section 21, any contribution made by the person to a fund that is not a/an _____, shall not be allowed as a deduction under the Head Income from Business:
a) Recognized provident fund
b) Disorganized fund
c) Personal fund
d) Family fund
9. As per Section 21, any contribution made by the person to a fund that is not a/an _____, shall not be allowed as a deduction under the Head Income from Business:
a) Approved gratuity fund
b) Leave fund
c) Collective fund
d) Payment fund
10. As per section 21, any amount carried to a reserve fund or capitalized in any way shall _____ claimed as a deduction under the Head Income from Business:
a) Not be
b) Be
c) Halved
d) Exempted
11. As per Section 21, any contribution made by the person to a fund that is not a/an _____, shall not be allowed as a deduction under the Head Income from Business:
a) Payment fund
b) Neighbor fund
c) Approved superannuation fund
d) Leave fund
12. As per Section 21, any contribution made by the person to a fund that is not a/an _____, shall not be allowed as a deduction under the Head Income from Business:
a) Disapproved pension fund
b) Approved pension fund
c) Payment Fund
d) Collection Fund
13. As per Section 21, any amount of tax deducted under Division III of Part V of Chapter X from an amount derived by the person shall _____ allowed as a deduction under the Head Income from Business:
a) Be
b) Not be
c) Remain
d) Stop to be
14. Any profit on debt derived by a person where the person's business is to derive such income shall be chargeable to tax under the head:

- a) Property Income
b) Business Income
c) Salary Income
d) Income from Other Sources
15. A _____ shall be allowed for any expenditure incurred by the person in the year wholly and exclusively for the purposes of business:
a) Credit
b) Refund
c) Deduction
d) Exemption
16. Where the expenditure is incurred in acquiring a depreciable asset or an intangible with a useful life of more than one year or is pre-commencement expenditure, the person must depreciate or amortize the expenditure in accordance with sections:
a) 22, 23, 24 and 25.
b) 26, 27, 28 and 29
c) 22, 26, 27 and 29
d) 25, 28, 29 and 30
17. Deductions not allowed under the head "Income from Business" are dealt in detail under the section:
a) 20
b) 21
c) 22
d) 23
18. An expenditure of Rs. 100,000/- in the head Electricity is made in cash. As per section 21 it is allowed as a:
a) Deduction
b) Reduction
c) Exemption
d) Credit
19. As per Section 21, any cess, rate or tax paid or payable by the person in Pakistan or a foreign country that is levied on the profits or gains of the business or assessed as a percentage or otherwise on the basis of such profits or gains is a/an _____.
a) Deduction allowed
b) Deduction not allowed
c) Depreciable allowance
d) Amortized allowance
20. As per Section 11(5), the income of a resident person under a head of income shall be computed by taking into account amounts that are _____ income and amounts that are _____ income:
a. Taxable, Pakistan Source Non-taxable, Pakistan Source
b. Pakistan Source, foreign source
c. Taxable, foreign source

ANSWER KEYS

1	C	11	C
2	A	12	B
3	B	13	B
4	B	14	B
5	D	15	C
6	B	16	A
7	A	17	B
8	A	18	A
9	A	19	B
10	A		

SPECIAL MCQs 2

- 1) As per Section 11(6), the income of a non-resident person under a head of income shall be computed by taking into account only amounts that are _____
 - a) Foreign-source
 - b) Pakistan-source
 - c) Taxable
 - d) Non-taxable
- 2) As per Section 37 of the Income Tax Ordinance, 2001, a gain arising on the disposal of a capital asset by a person in a tax year, other than a gain that is exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head:
 - a) Income from Other Sources
 - b) Salary
 - c) Property
 - d) Capital Gain
- 3) As per Section 39, Income of every kind received by a person in a tax year, if it is not included in any other head, other than income exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head:
 - a) Income from other Sources
 - b) Property
 - c) Business
 - d) Capital Gains
- 4) As per Section 41 of the Income Tax Ordinance, 2001, Agriculture Income is _____ from tax.
 - a) Taxable
 - b) Excluded
 - c) Deductible
 - d) Exempt
- 5) As per Section 49, the Income of Federal, Provincial or a Local Government shall be:
 - a) Taxable
 - b) Exempt
 - c) Chargeable
 - d) Refunded
- 6) As per Section 49(4) the income of a regulatory authority shall be:
 - a) Taxable
 - b) Exempt
 - c) Chargeable
 - d) Refunded
- 7) As per section 47, the scholarship paid to a person with a certain condition shall be:
 - a) Taxable
 - b) Exempt
 - c) Chargeable
 - d) Refunded
- 8) As per Section 60 i.e. Zakat, 60A i.e. Workers' Welfare Fund and 60B i.e. Workers' Participation Fund are all:
 - a) Tax credits
 - b) Exempt
 - c) Taxable
 - d) Deductible allowances
- 9) As per Section 61, a person shall NOT be entitled to a tax credit in respect of any sum paid, or any property given by the person in the tax year as a donation to:
 - a) any board of education or any university in Pakistan established by, or under, a Federal or a Provincial law
 - b) any educational institution, hospital or relief fund established or run in Pakistan by Federal Government or a Provincial Government or a [Local Government];

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d) None of these

- c) Any profitable enterprise
- d) any non-profit organization
- 10) Section 62 of the Income Tax Ordinance, 2001 deals with tax credit for:
 - a) Investment in Shares and Insurance
 - b) Investment in health insurance
 - c) Employment generation by manufacturers
 - d) Persons employing fresh graduates
- 11) As per Section 68, fair market value at a particular time is related to:
 - a) New market value
 - b) Open market value
 - c) Late market value
 - d) Old market value
- 12) Normal Tax Year as per Section 74 is defined a period of twelve months ending on the 30th day of:
 - a) August
 - b) December
 - c) March
 - d) June
- 13) As per Section 80, following is not a person:
 - a) Individual
 - b) AOP
 - c) Company
 - d) Family
- 14) A resident Individual person must be present in the country for a period of:
 - a) More than 120 days in a year and 365 days in preceding four years
 - b) 183 or more days in a year
 - c) Both a and b
- 15) According to Section 109 Re-characterization of income and deductions, the _____ may re-characterize an Income or a Deduction
 - a) Additional Commissioner
 - b) Commissioner
 - c) Deputy Commissioner
 - d) Chief Commissioner
- 16) According to Section 111, suppression of Sales by any person falls in the category of
 - a) Taxable Income
 - b) Exempt Income
 - c) Unexplained Income
 - d) Foreign Income
- 17) According to section 111(4) Sub-section (1) of Section 111 does not apply to any amount of foreign exchange remitted from outside Pakistan through normal banking channels that is _____ into rupees by a scheduled bank and a certificate from such bank is produced to that effect:
 - a) Deposited
 - b) Distributed
 - c) Refunded
 - d) En-cashed
- 18) Section 111 is also applicable on unexplained:
 - a) Exempt Income
 - b) Taxable Income
 - c) Rental Income
 - d) Investment
- 19) The threshold of turnover as per section 113 for any person such as AOP, Individual or Company is:
 - a) 10 million
 - b) 20 million
 - c) 30 million
 - d) 40 million

- 20) According to section 113, Minimum Tax is applicable on the following except
- loss for the year,
 - the setting off of a loss of an earlier year,
 - Exemption from tax
 - Profit for the year
- 21) According to Section 113, the meaning of turnover can also be taken as
- Loss
 - Profit
 - Credit
 - Income
- 22) According to Section 113, the minimum tax so collected is:
- Final Tax
 - Adjustable Tax
 - Normal Tax
 - Separate Tax
- 23) According to Section 113, Minimum tax can be _____ for a period of 5 years:
- Adjusted
 - Deferred
 - Assessed
 - Delayed
- 24) As per Section 113C, Alternate Corporate tax will be applicable for any one of the following tax year.
- 2013
 - 2014
 - 2015
 - 2016
- 25) According to Section 114, a person who is holder of _____ is required to file a Return of Income:
- Driving License
 - STRN
 - NTN
 - CNIC

- 26) According to Section 114, a person who owns a car having an engine capacity above _____ cc is required to file a Return of Income:
- 850
 - 950
 - 1000
 - 1300
- 27) According to Section 114, a person who has a _____ carried forward is required to file a Return of Income:
- Profit
 - Liability
 - Loss
 - Tax
- 28) As per Section 114, a person is required to file a Return of Income if he has _____ Electricity connection which's bill exceeds Rs.500,000:
- Residential
 - Commercial
 - Industrial
 - Both b and c
- 29) According to Section 114, Return for an incomplete year less than twelve months can be requested from any one of the following only:
- The person who has arrived in Pakistan
 - The person is about to leave Pakistan permanently
 - The person who will never come to Pakistan
 - The person who arrives in Pakistan as a tourist
- 30) According to Section 114, a person is required to file his return of income he is registered with:
- Chamber of Commerce and Industry

- Evacue Proerties trust
- Registrar of Firms
- Foreign country

ANSWER KEY

1	B	16	C
2	D	17	D
3	A	18	D
4	D	19	A
5	B	20	D
6	A	21	D
7	B	22	A
8	D	23	A
9	C	24	C
10	A	25	C
11	B	26	C
12	D	27	C
13	D	28	D
14	C	29	B
15	B	30	A

SPECIAL TEST Preparation

1. The monthly profit of an Coca Cola is Rs 78,000,000/- It shall be chargeable to tax on the following basis
- Monthly
 - Quarterly
 - Annually
 - Daily
2. Income derived from sale of goods shall fall under the head
- Other sources
 - Property
 - Business
 - Capital Gains
3. The gains made by any trade association by selling merchandise will be dealt under the head:
- Other sources
 - Property
 - Business
 - Capital Gains
4. Income derived from provision of services shall lie under the category
- Other sources
 - Property
 - Business
 - Capital Gains
5. Income derived by a professional association such as Bankers Association of Pakistan shall be dealt under the head.
- Other sources
 - Property
 - Business
 - Capital Gains
6. Income derived by a professional association such as Bankers Association of Pakistan from provision of services to its members will be treated under the head:
- Other sources

- Jobs Test Preparation
- Property
 - Business
 - Capital Gains
7. Income from hire or lease of tangible moveable property is Income from _____
- Other sources
 - Property
 - Business
 - Capital Gains
8. A person gets a benefit of Rs 650 000/- from one of his partners for an investment made in the RLNG business in 2015. It shall be taxable under the head _____
- Other sources
 - Property
 - Business
 - Capital Gains
9. The fair market value of any perquisite, not convertible into money, derived by a person due to a past business relationship shall be taxable under the head: _____
- Other sources
 - Property
 - Business
 - Capital Gains
10. Any management fee derived by a management company shall be income from: _____
- Other sources
 - Property
 - Business
 - Capital Gains
11. Any profit on debt derived by a person where the person's business is to derive such income shall be chargeable to tax under the head: _____
- Other sources
 - Business
 - Capital Gains

- d) Salary
12. Where a lessor, being a scheduled bank or an investment bank or a development finance institution or a Modaraba or a leasing company has leased out any asset, whether owned by it or not, to another person, any amount paid or payable by the said person in connection with the lease of said asset shall be treated as the income of the said lessor and shall be chargeable to tax under the head: _____
- Other sources
 - Business
 - Capital Gains
 - Salary
13. MCB bank has leased two generators owned by it to FBR. The amount paid by FBR to MCB shall be treated under the head: _____
- Other sources
 - Business
 - Capital Gains
 - Salary
14. HBL bank has entered into an agreement with Bank Al Falah to use some of its Vehicles. HBL leases these vehicles to CM House, Lahore. The amount paid by CM House, Lahore to HBL bank will fall under the head: _____
- Other sources
 - Property
 - Business
 - Capital Gains
15. Orix Leasing Company has leased out six financial assets owned by it to Japan International Power Ltd. The amount received by Orix Leasing shall be chargeable to tax under the head: _____
- Other sources
 - Property

- Jobs Test Preparation
20. A taxpayer acquires 3 buffaloes for use on its farms out of which 2 buffaloes die due to a certain disease. The expense incurred on the cost and the sale of the carcasses of the buffaloes shall be treated as follows _____
- Not accounted for as an expense
 - Allowed as deduction
 - Credited into the income
 - Taken into minus account
21. Pre-commencement expenditure shall be allowed as a deduction as an _____ under section 25: _____
- Amortization
 - Depreciation
 - Deduction
 - Expenditure
22. Rate of Amortization of pre-commencement expenditure is: _____
- 20%
 - 15%
 - 25%
 - 30%
23. Which of the following deductions as prescribed in section 21 of the income tax ordinance 2001 is inadmissible _____
- Cash payment of utility bills amounting to Rs more than 50000/-
 - Cash payment of Freight Charges amounting to Rs more than 50000/-
 - Final payment to employee under unapproved provident fund
 - None of the above.
24. Business income of minor child is assessed as his income when _____
- Such income is derived from a business acquired through _____
- c) Business
- d) Capital Gains
16. Any amount received by a banking company or a non-banking finance company, where such amount represents distribution by a mutual fund or a Private Equity and Venture Capital Fund out of its income from profit on debt, shall be chargeable to tax under the head: _____
- Other sources
 - Property
 - Business
 - Capital Gains
17. In a tax year, a deduction shall be allowed for any expenditure incurred by the person in the year if the expense is made: _____
- Inclusively for owner and business
 - wholly and exclusively for the purposes of business
 - Exclusively and wholly for Directors of Business
 - Exclusively for owner and Directors
18. Expenditure incurred in acquiring a depreciable asset with a useful life of more than one year shall be _____ in accordance with sections 22, 23, 24 and 25: _____
- Added
 - Reduced
 - Depreciated/amortized
 - Credited
19. Expenditure incurred in acquiring an intangible with a useful life of more than one year is amortized in accordance with section(s) _____:
- 22
 - 23
 - 23A
 - 24

- b. Father of the minor is a partner in business
- c. Mother of the minor is partner in business
- d. None of the above

25 Admissible expenses are those:

- a. As permitted by Income Tax Ordinance 2001
- b. As reported in Profit and Loss Account
- c. As declared by the taxpayer
- d. As claimed by the taxpayer

26 A person earning an annual profit of Rs.1,000,000/- by selling bicycles shall be paying tax on his income under the head:

- a. Other sources
- b. Property
- c. Business
- d. Capital Gains

ANSWER KEYS

1	C	14	A
2	C	15	C
3	C	16	C
4	C	17	B
5	C	18	C
6	C	19	D
7	C	20	B
8	C	21	A
9	C	22	A
10	C	23	C
11	B	24	A
12	B	25	A
13	B	26	C

SPECIAL MCQs-4

1. Deductions in computing income chargeable under the head "Income from Property" can only be allowed to:
 - a. Individual
 - b. AOP
 - c. Person
 - d. Company
2. According to section 15, where any amount is included in rent received or receivable by any person for the provision of amenities, utilities or any other service connected with the renting of the building, such amount shall be chargeable to tax under the head:
 - a. Income From Salary
 - b. Income From Business
 - c. Income from Property
 - d. Income from other sources
3. As per section 15 of the ITO 2001, where the rent received or receivable by a person is less than the fair market rent for the property, the person shall be treated as having derived the _____ rent for the period the property is let on rent in the tax year.
 - a. No amount of
 - b. Exempt amount of
 - c. Fair market
 - d. Lesser than fair market rent
4. If a person derives any rent in respect of the lease of a building together with plant and machinery, such rent shall be chargeable to tax under the head Income from:
 - a. Property Income
 - b. Business Income
 - c. Salary Income
 - d. Other Sources

5. Rent chargeable to tax includes:
 - a. Rent received or recoverable by the owner of land or building
 - b. 1/10th of un-adjustable advance rent
 - c. Forfeited token money
 - d. All of the above.
6. Unadjusted advance rent is included in rented value of property upto _____.
 - a. 1/5th
 - b. 1/10th
 - c. 1/15th
 - d. 1/20th
7. Rented income derived from property held under trust is _____.
 - a. Exempt
 - b. Taxable
 - c. Zero Rated
 - d. None of the above
8. Co-owners of the property:
 - a. Can never be assessed as Association of Persons
 - b. Are always assessed as Association of Person
 - c. Can be assessed as Association of Persons
 - d. All of above
9. Rate of Tax for Public Company for the tax year 2021 is:
 - a. 29%
 - b. 30%
 - c. 32%
 - d. 34%
10. Section ____ of ITO 2001 deals with Income from Business:
 - a. 12
 - b. 15
 - c. 18

- d. 37
11. Rent is any amount received by the owner of land as consideration for:
 - a. the use of the land
 - b. cultivation of the land
 - c. construction of the land
 - d. destruction of the land
12. Rent is any amount received by the owner of land as consideration for:
 - a. Construction of the land
 - b. Cultivation of the land
 - c. Faming on the land
 - d. The occupation of the land
13. Rent is any amount received by the owner of land as consideration for:
 - a. the right to use or occupy
 - b. the right to monitor
 - c. the right to see
 - d. the right to paint
14. Any forfeited deposit paid under a contract for the sale of land or a building shall be taxable under the head:
 - a. Salary Income
 - b. Property Income
 - c. Business Income
 - d. Capital Gains
15. If an amount of Rs.100,000/- is included in rent received Rs.300,000/-by any person for the provision of utilities such amount of Rs.100,000/- shall be chargeable to tax under the head:
 - a. Income from Salary
 - b. Income from Other Sources
 - c. Income from Property
 - d. Income from Capital Gains

Jobs Test Preparation

16. If an amount of Rs 70,000/- is included in rent received Rs 530,000/- by any person for the provision of service connected with the renting of the building such amount of Rs 70,000/- shall be chargeable to tax under the head:
- Income from Salary
 - Income from Other Sources
 - Income from Property
 - Income from Capital Gains
17. If the rent of Rs 390,000/- receivable by a person is less than the fair market rent of Rs 600,000/- for the property, the person shall be treated as having derived the fair market rent Rs _____ for the period the property is let on rent in the tax year.
- Rs 390,000/-
 - Rs 600,000/-
 - Rs 380,000/-
 - Rs 790,000/-
18. While calculating the deduction allowed for Property Income, in respect of repairs to a building, an allowance equal to _____ of the rent chargeable to tax in respect of the building for the year, computed before any deduction allowed under section 15A:
- $\frac{1}{2}$ th
 - $\frac{1}{3}$ rd
 - $\frac{1}{4}$ th
 - $\frac{1}{5}$ th
19. If a company has paid any premium in the year to insure the building against the risk of damage or destruction it shall _____:
- Be Exempted from tax
 - Be Credited into tax
 - Be Allowed as a deduction
 - Not be allowed as a deduction
20. If an ABC company pays a local tax to Provincial Excise Department in respect of the property in the year, it shall _____:
- Be allowed as a deduction
 - Be exempted from tax
 - Credited into tax
 - Not treated as tax
21. If a company pays tax under the Income Tax Ordinance, 2001 on rental income derived by it, then it shall _____:
- Be allowed as a deduction
 - Be exempted from tax
 - Not allowed as deduction
 - Not treated as tax
22. A rent amounting Rs. 5,600,000 is paid by a company to KPK Govt. It would be _____:
- Be allowed as a deduction
 - Be exempted from tax
 - Not allowed as deduction
 - Not treated as tax
23. If a company has paid any ground rent in the year in respect of the property it shall _____:
- Be allowed as a deduction
 - be exempted from tax
 - Not allowed as deduction
 - Not treated as tax

24. If a company borrows any money for the construction of a building and it earns profit on the said borrowed money then it shall _____:
- Be allowed as a deduction
 - be exempted from tax
 - Not allowed as deduction
 - Not treated as tax

25. If a company borrows any money for the renovation of a building and pays profit on the said borrowed money then it shall _____:
- Be allowed as a deduction
 - be exempted from tax
 - Not allowed as deduction
 - Not treated as tax

26. If a company borrows any money for the re-construction of a building and it earns profit on the said borrowed money then it shall _____:
- Add the said profit in taxable income
 - be exempted from tax
 - Not allowed as deduction
 - Not treated as tax

27. If property is subject to mortgage or other capital charge, the amount of profit or interest paid on such mortgage or charge shall _____:
- Be allowed as a deduction
 - be exempted from tax
 - Not allowed as deduction
 - Not treated as tax

28. Any rent received by any person in respect of the lease of a building together with plant and machinery, such rent shall _____:
- Property Income
 - Business Income
 - Salary Income
 - Other Sources

29. The rent received or receivable by a person for a tax year, other than rent exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head:
- Business Income
 - Property Income
 - Salary Income
 - Income from Other Sources

30. While Calculating Income from Property collection charges are allowed:
- On actual basis
 - Equal to 1/5 of the rent chargeable to tax
 - Equal to 8% of the rent chargeable to tax
 - None of the above.

31. Any rent received or receivable by a person in respect of land as ground rent shall be chargeable to tax under the head:
- Income from Other Sources
 - Income from Property
 - Income from Business
 - None of the above.

32. Any rent received or recoverable by sub-letting a building by a tenant shall be chargeable to tax under the head:
- Income from Property
 - Income from Business
 - Income from other Sources
 - None of the above.

Jobs Test Preparation

- be chargeable to tax under the head Income from:
- Property Income
 - Business Income
 - Salary Income
 - Other Sources

29. The rent received or receivable by a person for a tax year, other than rent exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head:
- Business Income
 - Property Income
 - Salary Income
 - Income from Other Sources

30. While Calculating Income from Property collection charges are allowed:
- On actual basis
 - Equal to 1/5 of the rent chargeable to tax
 - Equal to 8% of the rent chargeable to tax
 - None of the above.

31. Any rent received or receivable by a person in respect of land as ground rent shall be chargeable to tax under the head:
- Income from Other Sources
 - Income from Property
 - Income from Business
 - None of the above.

32. Any rent received or recoverable by sub-letting a building by a tenant shall be chargeable to tax under the head:
- Income from Property
 - Income from Business
 - Income from other Sources
 - None of the above.

ANSWER KEY

1	D	17	B
2	D	18	D
3	C	19	C
4	D	20	A
5	D	21	C
6	B	22	C
7	B	23	A
8	A	24	A
9	A	25	A
10	C	26	A
11	A	27	A
12	D	28	D
13	A	29	B
14	B	30	A
15	B	31	A
16	B	32	C

SPECIAL MCQs-5

- Following Income will be treated as income from other sources as per section 39 of the ITO 2001.
 - Dividend
 - Royalty
 - Profit on debt
 - All of them
- Following income will be treated as income from other sources as per section 39 of the ITO 2001.
 - Rent from the sub-lease of land or building
 - Annuity or pension
 - Income from prize bond
 - All of them.
- Loan from other than banking company is treated as
 - Liability
 - Income from other sources
 - Expenses
 - Assets
 - All of above.
- Which one of the following is business income :
 - Income of non-professional writer
 - Casual Income
 - Prize on Prize Bonds
 - None of the above.
- Which of the following is not an example of income from other sources
 - Dividend
 - Royalty
 - Ground Rent
 - Rental income from property
- Dividend Income is assessed under:
 - Capital gain

- b. Income from Other Sources
- c. Part of total Income
- d. Separate Block of Income
- ANSWER**
- D
 - D
 - B
 - D
 - D
 - B
 - D
 - A
 - B
 - A
- Income from Other sources includes the income which is not taxable under the head:
 - Salary
 - Property
 - Business
 - All of above.
 - Capital Expenditure means:
 - If its useful life is more than an year.
 - If it is mentioned as capital expenditure in accounts
 - Both a & b
 - None of the above.
 - The provision of Section _____ apply in determining the deductions allowed to a person under the head income from other sources.
 - Section 20
 - Section 21
 - Section 22
 - Section 23
 - Income from the sale of tree grown naturally would be treated under the head:
 - Other sources
 - Agriculture Income
 - Business Income
 - None of above.

SPECIAL MCQS-6

- 1- Capital asset has been defined as property of any kind held by a person other than following:
 - a) Stock in trade,
 - b) Consumable stores and raw material
 - c) Any moveable property held for person use.
 - d) All of above.
- 2- Following are not capital assets
 - a. Stock in trade
 - b. Raw Material
 - c. Consumable Stores
 - d. All of above.
- 3- Capital Gain arises from the disposal of
 - a. Depreciable assets
 - b. Eligible Assets
 - c. Capital Assets
 - d. All of above.
- 4- Capital gain on disposal of immovable property holding period upto one year , percentage of gain shall be taxable for the tax year 2021 will be
 - a. 100%
 - b. 75%
 - c. 50%
 - d. 25%.
- 5- Capital gain on disposal of immovable property holding period more than two years and less than three years, percentage of gain shall be taxable for the tax year 2021 will be
 - a. 100%
 - b. 75%
 - c. 50%
 - d. 25%
- 6- Capital gain on disposal of immovable property holding period more than three years and less than four years, percentage of gain shall be taxable for the tax year 2021 will be
 - a. 100%

- b. 75%
- c. 50%
- d. 25%

7- Capital gain on disposal of capital asset after twelve months from the date of acquisition the rate of tax for the tax year 2021 will be applied on gain:

- a. Exempt
- b. Taxable
- c. Exempt upto 25%
- d. None of the above.

8- The rate of tax on capital gain on disposal of securities within twelve months will be:

- a. 12.5%
- b. 15%
- c. 17.5%
- d. None of the above.

9- The rate of tax for 2021 on capital gain on disposal of securities holding period more than one year and less than 2 years will be:

- a. 12.5%
- b. 15%
- c. 17.5%
- d. None of the above.

10- The rate of tax for 2021 on capital gain on disposal of securities holding period more than four years and security was acquired before 1st July 2013:

- a. 12.5%
- b. 15%
- c. 17.5%
- d. None of the above.

11- Capital gain on disposal of securities holding period more than 2 year but not more than four years but the security was acquired after 1st July 2013, the rate of tax for the tax year 2021 will be:

- a. 12.5%
- b. 15%
- c. 17.5%
- d. None of the above.

PROCEDURE MCQS

12- For the purpose of Section 37, Capital Asset does not include:

- a. Stock in trade
- b. Assets for which depreciation is allowed
- c. Any moveable property for personal use.
- d. All of above.

ANSWER

1	D	7	C
2	D	8	B
3	C	9	B
4	A	10	D
5	C	11	B
6	D	12	D

1. Tax Payable by a taxpayer is due on the date of:
 - a. Due date for filling income tax returns
 - b. The date intimated by an income tax authority
 - c. Both a & b
 - d. None of the above.
2. Demand notice is sent u/s : a 137
 - b. 138
 - c. 140
 - d. None of the above
3. Demand notice is sent when :
 - a. An order creating tax demand is passed by an income tax officer.
 - b. Government needs revenue to meet up budget
 - c. The tax year is about to end
 - d. None of the above.
4. Before Demand notice, following notice/order is sent/passed:
 - a. Show cause notice
 - b. Assessment order
 - c. Both a & b
 - d. None of the above.
5. Demand notice is issued in the wake of:
 - a. Assessment order
 - b. Amended assessment order
 - c. Provisional assessment order
 - d. All of above
6. How many days are given to the taxpayer after the issuance of demand notice under section 137(2)
 - a. 15 days

- b. 30 days
c. 45 days
d. None of the above.
7. If an order is passed under section 122D (Agreed Assessment), the taxpayer shall have the right to prefer appeal within.
- a. 15 days
b. 30 days
c. 60 days
d. None of the above.
8. Who can grant the taxpayer an extension of time for payment of due tax or pay tax in installments:
- a. Inspector Inland Revenue
b. Assistant Commissioner
c. Additional Commissioner
d. Commissioner
9. Default Surcharge is payable:
- a. When a person fails to pay tax on or before due date.
b. When the taxpayer defaults payments after grant of extension of time
c. When a person fails to pay penalty
d. All of above.
10. If a taxpayer fails to pay tax within due date or after expiry of service of notice under section 137(2),
- a. The commissioner will write off the demand
b. The commissioner will call him into his office
c. The commissioner will attach his property
d. The commissioner shall issue a notice u/s 138(1)
11. If a taxpayer does not deposit the tax due after the issuance of

notice u/s 138, the commissioner may:

- a. Attach and sell any immovable and moveable property of the taxpayer.
b. Appoint a receiver for the management of the moveable or immovable property of the taxpayer
c. Arrest the taxpayer and detain him for period not exceeding six months
d. All of above
12. For the recovery of tax, the commissioner has :
- a. Police powers as under Criminal Procedure Code
b. Powers of a civil court under Civil Procedure Code
c. Powers under National Accountability Ordinance
d. None of above.
13. If a taxpayer liable to pay tax is declared insolvent, the tax liability under this ordinance shall pass on to:
- a. Estate in Bankruptcy
b. His Son
c. His Wife
d. His relatives
14. If a company has tax payable and it is liquidated and tax still remain outstanding, the amount of tax will be recovered from:
- a. Director of the company other than employed director
b. A shareholder of the company hold at least 10% shares.
c. Both a & b
d. None of above.

15. In case of an AOP defaults from tax payment, it can be recovered from
- a. The AOP only
b. From the members of AOP
c. From the property of AOP
d. All of above
16. Recovery under section _____ is effected if the taxpayer fails to pay tax in wake of notices under section 137 and 138 and 139
- a. 140
b. 141
c. 142
d. 143
17. For recovering any tax due by a taxpayer, the commissioner may require any person _____ to pay to the commissioner so much of money as set out in the notice.
- a. Owning/ Holding or who may owe / hold money to the taxpayer
b. Holding or who may hold money on account of other person for payment to the taxpayer
c. Having authority of some other person to pay money to the taxpayer.
d. All of above.
18. If a tax payer has filed appeal u/s 127 against an order and has also submitted 25% of the tax due, the commissioner
- a. Shall not issue notice u/s 140
b. Shall issue notice u/s 140
c. Shall recover the amount through coercive means
d. None of above.
19. In case of a defaulter is a salaried taxpayer, the commissioner can ask the employer some specific payment as an installment _____ to recover the tax due.
- a. Each month
b. Every three months
c. Every six months
d. Every year.
20. The word liquidator in Income Tax Ordinance 2001 includes:
- a. A liquidator of a company
b. A receiver appointed by a court or appointed out of court
c. A trustee for a bankrupt or A mortgagee in possession
d. All of above
21. Liquidator within _____ days of his appointment may give a notice to the commissioner.
- a. 14
b. 20
c. 30
d. 45
22. After receipt of notice, the commissioner will serve within days notify the liquidator in writing of the amount which appears to be sufficient meet up the tax liability of the defaulter.
- a. 30
b. 60
c. 90
d. None of above.
23. A master of ship is required to file return of income before his departure from Pakistan and pay tax as per provision of section of ITO 2001.
- a. 143

- b. 140
- c. 7
- d. 8

24 For the initiation of recovery proceedings, there is:

- a. No time limit
- b. Five years limit
- c. One year limit
- d. None of above.

25. _____ may make scheme in respect of recovery of tax arrears or withholding taxes and waiver of default surcharge or penalty levied thereon.

- a. Federal Government
- b. The Board
- c. Chairman FBR
- d. President of Pakistan

ANSWER

1	C	11	D	21	A
2	A	12	B	22	C
3	A	13	A	23	A
4	C	14	C	24	A
5	D	15	D	25	B
6	B	16	A		
7	D	17	D		
8	D	18	A		
9	D	19	A		
10	D	20	D		

**MCQS
RELATED TO PROCEDURES**

1. Following Persons are required to file return of income:
 - a. Every Company
 - b. Any person earning taxable income
 - c. Any Non Profit Organization
 - d. All of above.
2. Following person is also liable to file return of income:
 - a. Who is NTN holder
 - b. Owns a flat located in municipal limits
 - c. Owns immovable property with a land area of 500 sq yards
 - d. All of above.
3. Following person are also liable to file return:
 - a. Owns a motor vehicle above 1000 cc
 - b. Has commercial or industrial connection with electricity bill of Rs 500,000/
 - c. Is registered with any chamber of commerce & industry.
 - d. All of above.
4. A person is also required to file return of income if his income in a year exceeds:
 - a. Rs. 200,0000/-
 - b. Rs 300,000/-
 - c. Rs 350,000/-
 - d. Rs 600,000/-
5. A return of income is:
 - a. In prescribed format
 - b. Submitted along with wealth statement
 - c. Both a & b
 - d. One of above.

6. Commissioner can require a person to file return of income u/s
 - a. 114(1)
 - b. 114(2)
 - c. 114(3)
 - d. 114(4)
7. Commissioner can require a person to file return upto _____ previous years
 - a. 4
 - b. 5
 - c. 6
 - d. 7
8. A tax payer can revise his return u/s
 - a. 114(6)
 - b. 120(3)
 - c. 122(5)
 - d. 122C
9. A widow, Orphan and disabled person are not required to file their return of incomesolely by the reason
 - a. Of holding 1000c car
 - b. Owning a 250 sq yard land or flat in municipal limits
 - c. Doing exports business
 - d. All of above.
10. A Wealth Statement filed under section 116(1) contains
 - a. Person's total assets and liabilities
 - b. Total assets and liabilities of a person's spouse
 - c. Total expenditures
 - d. All of above
11. Who is required to file a wealth statement
 - a. Taxpayer filling returns
 - b. Taxpayer leaving Pakistan
 - c. Taxpayers doing government job
 - d. None of above.
12. A person who discontinue business must give notice to the commissioner u/s _____
 - a. 117
 - b. 118
 - c. 119
 - d. 120
13. Section 120 of the ITO 2001 deals with
 - a. Deemed Assessment
 - b. Provisional Assessment
 - c. Amended Assessment
 - d. None of above.
14. A commissioner can pass a best judgment assessment u/s 121 if a taxpayer fails to
 - a. Furnish a return as required u/s 114, 143 or section 144
 - b. Furnish a statement as required u/s 116
 - c. Produce before commissioner, accounts and documents required to be maintained u.s 174.
 - d. All of above.
15. Under section 122 a commissioner can amend an assessment u/s _____ as manytimes he wishes.
 - a. 120
 - b. 121
 - c. 122C
 - d. All of above.
16. Withholding tax is:
 - a. Tax paid with the return
 - b. Tax deducted at source from the payment
 - c. Wealth tax
 - d. All of above.
17. Withholding tax is deducted at the time of
 - a. Filing return

- Jobs Test Preparation
- b. Making payment
 - c. Selling some thing
 - d. None of above.
18. Advance tax u/s 147 is paid in _____ installments
- a. 3
 - b. 2
 - c. 4
 - d. 6
19. As per new change in rules, IIR can recover arrear amounting to _____ Rs or below.
- a) 500,000
 - b) 1,000,000
 - c) 2,500,000
 - d) 5,000,000
20. The Board has the power to select a case for audit u/s
- a) 147
 - b) 177
 - c) 214
 - d) 240

ANSWERS

1	D	11	A
2	D	12	A
3	D	13	A
4	D	14	D
5	C	15	A
6	D	16	B
7	B	17	B
8	A	18	C
9	B	19	D
10	D	20	C

Sales Tax Act 1990

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OVERVIEW

Sales Tax was a provincial subject at the time of partition. It was being administered in the provinces of Punjab & Sindh as provincial levy. It was declared a federal subject in 1948 through the enactment of General Sales Tax Act, 1948 and in 1952, this levy was transferred permanently to the Central Government. Sales tax was levied at the standard rate of 6 paisa per rupee at every stage whenever a sale was effected. The trading community protested against this system, and this resulted in the enactment of Sales Tax Act 1951.

It is to be emphasized here that this was the period when value added tax was gaining traction globally.

A system of licensed manufacturers & wholesalers was instituted whereby they were allowed to purchase goods free of sales tax from each other and pay tax on sales to unlicensed traders. Imports were chargeable to Sales Tax but the licensed manufacturers & wholesalers were allowed to import goods without the payment of Sales Tax. Later on Sales Tax became chargeable on locally produced & imported goods at the time of their sales & import, respectively.

The sales tax, was collected under the Finance Ordinance, 1956, on goods which were chargeable to Central Excise Duty, as if it were a duty of Central Excise. In April 1981, by virtue of an amendment in the Sales Tax act, 1951, the collection of Sales Tax on non-excisable goods was also entrusted to the Central Excise Department.

In the late eighties the government decided to replace Sales Tax with the Value Added Tax in the country as a part of its structural adjustment program which was undertaken to correct anomalies & distortions both in our tax & non-tax

regimes. Accordingly, new enactment titled Sales Tax Act 1990 replaced Sales Tax Act 1951 with effect from 1-11-1990.

Liability to Sales Tax

Earlier the sales tax was being charged at manufacturing & import stage, now its scope has been extended to all people involve in the supply of taxable supplies to the end consumer.

It covers:

- Manufacturing
- Import
- Services
- Distribution, Wholesale & Retail stage.

Sales Tax is chargeable on all locally produced and imported goods except computer software, poultry feeds, medicines and unprocessed agricultural produce of Pakistan and other goods specified in Sixth Schedule to The Sales Tax Act, 1990.

Registration

Every person in sectors mentioned above, who makes a taxable supply in Pakistan is required to be registered under the Sales Tax Act. However, manufacturers having taxable turnover below five million rupees and also utility bill below Rs. Seven lac during the last twelve months are exempted from registration and payment of sales tax. They are treated as cottage industry. Similar exemption is also available to retailers having total turnover below Rs. five million in the last twelve months.

The rate for sales tax is 17% of value of supplies. However, there are some items which are chargeable to sales tax at 18.5% or 21% of value of supplies (see SRO 644(I)/2007 as amended by SRO 537(I)/2008 dated 11th June 2008).

Returns

As per law each registered person must file a return by the 15th of each month regarding the sales made in the last month.

All registered persons are required to file returns electronically and in such cases the payment is to be made by the 15th and return can be submitted on FBR's e-portal by 18th.

Detailed procedure in this respect is given in Sales Tax General Order no. 04 of 2007.

There are some sectors which are required to file returns on quarterly (tri-monthly) basis e.g. retailers including dealers of specified electric goods and CNG dealers.

Maintenance of Records

All registered persons are required to maintain records at their business premises of the goods purchased and supplied made by them. All the records are required to be kept for a period of 5 years.

Refunds of Sales Tax

In cases where the Input Tax exceeds the Output Tax due from the registered person in respect of a tax period because of exports or other zero-rated supplies, the excess amount of input is refunded back to the taxpayer within 45 days. In all other cases of excess input tax, the Board can specify the procedure for refund.

Additional Tax

If a registered person does not pay the tax within the specified time or claims a tax credit or refund which is not admissible to him, or incorrectly applies the rate of zero percent to the supplies made by him, he has to pay the additional tax at the following rates:

One and half percent of tax due or the part thereof per month;

However, in case of tax fraud, the rate of additional tax shall be two percent per month.

Arrears

The work regarding Arrears gets initiated in the following cases:

- Late or no submission of the Returns
- Amount paid is less than the tax amount payable
- A demand raised after an audit/scrutiny is upheld after adjudication

WHAT IS SALES TAX?

Sales Tax is a tax levied by the Federal Government under the Sales Tax Act, 1990, on sale and supply of goods and services and on the goods imported into Pakistan.

Definitions and meanings of commonly used terms.**Adjudication:-**

It is the process leading to a judicial decision by an officer of sales tax vested with power and jurisdiction under section 45 of the Sales Tax Act, 1990, in case of dispute between Sales Tax authorities and the taxpayer regarding matters such as, assessment of tax, charging of additional tax, imposition of penalty, recovery of amount erroneously refunded or any other contravention under the sales tax law or the rules made there under.

Authorized Representative:-

A person authorized by a taxpayer to represent him or appear on his behalf before the Appellate Tribunal or any other adjudicating authority.

Commercial Importer:-

An importer who imports taxable goods for further supply in same state.

Composite Invoice:-

An invoice which shows the sale of taxable as well as exempt goods

Due Tax:-

It is the amount of net tax payable by a registered person along with the return.

Exempt Supply:-

Exempt supply means a supply which is exempt from tax under section 13 of The Sales Tax Act 1990.

Goods:-

Goods include every kind of movable property other than actionable claims, money, stocks, shares and securities.

Invoice:-

Under section 23 of the Act a registered person making a taxable supply has to issue a serially numbered tax invoice at the time of supply of goods.

Input tax:- Sec.2(14)

Input tax is the tax (sales/FED) paid by registered person on the taxable goods and services purchased or acquired by him. This includes the sales tax paid on imports.

Input Tax Adjustment:-

Input tax adjustment is the deduction of input tax from output tax to arrive at the net amount of sales tax payable by the taxpayer. Since sales tax is a value added tax, it is to be charged at each incremental stage of value addition, otherwise there may occur double taxation. Input tax is adjusted against output tax so as to avoid such double taxation and to calculate the correct amount of tax due to the government.

Output tax:- Sec.2(20)

It is the sales tax/FED charged and levied on the sale or supply of goods or services on which sales tax/FED is leviable.

Services:-

Sales tax is also leviable on rendering of certain services such as hotels, marriage halls, clubs, caterers, advertisements,

custom agents, ship chandlers, stevedores, courier services, beauty parlors, beauty clinics and slimming clinics, within the territory of Islamabad by the Federal Government and in provinces by the provincial revenue authorities.

Supply:- Sec.2(33)

Supply includes sale or other disposition of goods in furtherance of business carried out for consideration including putting to private, business or non-business use of goods acquired, produced or manufactured in the course of business.

Tax Period:- Sec.2(43)

Tax period means a period of one month or such other period as the Federal Government in the Official Gazette may specify.

Taxable Goods:-

Taxable Goods means all goods other than those which have been exempted from sales tax under section 13 of the Sales Tax Act 1990.

Value of Supply:-

It is the value of goods or services determined to arrive at the amount of tax due.

Value of Imported Goods:-

Value for the purpose of sales tax on imported goods means the value determined under section 25 or section 25-B of the Customs Act 1969, including the amount of customs duties and central excise duty levied thereon.

Zero-Rated Supply:- Sec.4

Zero rated supply means a taxable supply which is charged to tax at the rate of zero percent. It is different from exempt supply in the sense that in case of exemption no sales tax is leviable whereas zero rated goods are chargeable to sales tax but at the rate of zero percent. Added benefit of zero-rated supplies is that input adjustment/refund of sales tax paid on inputs is admissible.

SCOPE OF THE TAX Sec. 3

Sales tax applies to the following:

Goods

All goods are taxable except those that have been exempted under section 13 of the Sales Tax Act, 1990. For sales tax purposes goods include every kind of movable property other than actionable claims, money, stocks, shares and securities.

Services:-

The following services have been brought under the sales tax regime through respective Provincial Ordinances and Islamabad Capital Territory Ordinance. Any person providing or rendering the following services should register with the sales tax department and pay sales tax.

- Services provided or rendered by hotels, marriage halls, lawns, clubs and caterers.
- Advertisements on Television and Radio excluding advertisements;
 - o sponsored by a Government Agency for health education;
 - o public service messages if telecast on television by World Wildlife Funds for Nature or UNICEF;
- Services provided or rendered by persons authorized to transact business on behalf of others;
 - o custom agents;
 - o ship chandlers;
 - o stevedores.
- Courier Services

Beside these services there are three excisable services on which Federal Excise duty is collected in the sales tax mode. These are:

- Telecommunication services;
- Travel by air or rail (A/C, 1st class only); and

- Carriage of goods by air Imports into Pakistan

All goods imported into Pakistan are liable to sales tax at the time of import, except goods specifically exempted under section 13 as mentioned in Sixth Schedule to the Act.

EXEMPT GOODS.

Under section 13 of The Sales Tax Act 1990, the Sixth Schedule of the Sales Tax Act, 1990 specifically and explicitly mentions those goods on which exemption of sales tax is available. Other exemptions are available in various notifications (SROs) issued by the Government under section 13.

REGISTRATION Chapter III

Who is to be registered?

- a. All importers
- b. All wholesalers (including dealers) and distributors
- c. Manufacturers not falling in cottage industry. (Cottage industry is defined as having annual turnover below Rs.5 million and whose annual utility bill (including electricity, gas and telephone) does not exceed rupees 700000).
- d. Retailers (having value of supplies of over 5 million rupees, in any tax period during the last 12 months.
- e. A person required under any Provincial or Federal Law to be registered for purpose of any duty or tax collected or paid as if it were a levy of sales tax, e.g. service providers like hotels, clubs, caterers, customs agents, ship chandlers, stevedores, courier services etc.
- f. Persons making zero-rated supplies, including commercial exporter who intends to obtain

sales tax refund against his zero rated supplies.

- g. A person who is required to be registered by virtue of aforesaid criteria, but still avoids registration, can be compulsorily registered by the department, after proper enquiry under sub-rule 1 of Rule 6 of Sales Tax Rules, 2006.

Procedure of Registration

1. The application may be submitted electronically on Form STR-1 as well as either through post or courier services to Central Registration Office (CRO). Application can also be sent to Local Registration Office (LRO) in the form of hard copy. The LRO after proper scrutiny of documents and necessary editing of the application and particulars, electronically forwards the application to CRO.
2. All the columns of the Forms have to be duly filled in as per instructions given with the Form.
3. After verification, the Central Registration Office will issue a Registration Certificate bearing registration number (Common taxpayer Identification Number) and mail the same to the Registered Person, on a prescribed Form (STR-5)

Office (CRO) normally verifies the contents from the data available with it, but has an authority to get an enquiry conducted through Local Registration Office, to verify contents of declaration by a person. The CRO may reject the application within fifteen days from the date, the complete application is received in CRO, under intimation to the applicant,

specifying the Test Preparation with rejection.

Where a person is to be registered?

1. A corporate person (listed/unlisted public company, private limited company) has to be registered under the Collectorate where the registered office of the business is located
2. A non-corporate person is to be registered under the collectorate, where the business is actually carried on.
3. In case of non-corporate person having single manufacturing unit and the same is located in a different place than the business premises, in the Collectorate having jurisdiction over the manufacturing unit. A corporate person has the option of transferring his registration to the place of business.

Information to be furnished for registration

- I. Complete business name
- II. Business nature, main / activity or service;
- III. Complete address of Head Office and all business units, godowns, outlets mentioning, phone, fax, e-mail, electricity, gas consumer no. etc.
- IV. All Bank account numbers, with name and address.
- V. NTN (National Tax Number)
- VI. NIC (National Identity Card Number) of the owner, partners or directors of the business (passport number in case of foreigner).
- VII. In case of a company, registration number and date of incorporation.

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Will Every director
has to fill in STR - 1 (A) Form.

- IX Date of commencement of business and initial capital employed
- X The mode of maintenances of business records should also be mentioned
- Who ceases to carry on the business, or Change in particulars of Registration

In case there is a change in the name address, or other particulars as stated in the registration certificate, the registered person shall notify the change in the prescribed form STR-2 to the CRO within fourteen days of such change. The change in the business category shall be allowed after LRO has verified the manufacturing facility and confirmed the status as industrial consumer of the electricity and gas distribution companies.

Transfer of Registration

In case a registered person intends to shift his business activity from the jurisdiction of one collectorate, to another collectorate, or as the case may be to an RTO or LTU, or he has any other valid reason for such transfer, he shall apply to the CRO for transfer of his registration, along with form STR-2. The CRO may subject to such conditions, limitations or restrictions as it may deem fit to impose, by an order, transfer the registration of a registered person from the jurisdiction of one collectorate, to another collectorate, or as the case may be to the LTU or RTO. The return for the tax period in

which the registration is transferred shall be filed in the collectorate from where the registration is transferred.

Revised Registration Certificate. In case of multiple registrations, the registered person shall apply on Form STR-1 for single registration to the CRO which after ascertaining tax liabilities from concerned Collectorate shall issue revised registration certificate in which previous registration number shall be merged.

Deregistration

A registered person can be deregistered

- whose supplies become exempt from sales tax, or
- whose turnover becomes less than the threshold level can apply for cancellation of the registration.

FILING OF SALES TAX RETURNS

A Sales Tax return is the taxpayer's document of declaration through which taxpayer not only furnishes the details of transactions during a tax period but also deposits his Sales Tax liability. On the return form, the taxpayer declares for a particular tax period and respective input tax and output tax, at prescribed rate of Sale Tax. In case input tax exceeds output tax, the amount of refund claimed or excess input tax is also declared in the return. For different categories of taxpayers, monthly, quarterly or annual returns may be filed on prescribed format as follows:—

Monthly Return

Under the standard procedure a registered person is required to file monthly return by the 15th day of the month following the period in which the supplies were made, in the designated

branches of National Bank of Pakistan in case of certain categories as mentioned below procedure has been devised to file return on monthly and quarterly basis.

Quarterly Return

The taxpayers falling exclusively in the category of commercial importer, i.e. the importer who imports taxable goods for business activity other than industrial use of such goods or manufacturing by himself, is required to file the return on quarterly basis.

Annual Return

A private or public, Ltd Company is to file annual Sales Tax return, for a financial year by the 30th September of the following financial year.

Electronic Filing

Facility of Electronic filing of Sales Tax return has also been made available to the following categories of registered persons.

- the registered persons falling in the jurisdiction of the Large Taxpayers Units, Karachi and, Lahore.
- the private and public Ltd companies registered in any Collectorate of Sales Tax.
- other taxpayers who may like to opt for electronic filing of sales tax returns.

Record of Electronic Return

The electronic sales tax return and its relevant attachments, if any, shall be kept in electronic record of the registered person and shall be produced to the officer-in-charge on demand along with the supportive documents. If the delay is beyond 15 days, a penalty of Rs.5000/= is payable.

Penalties for Late Return Filing (Sec.33)

If a return is not filed within 15 days after the end of the relevant tax period, a registered person will be liable to a penalty besides additional tax at the rate of Rs 100/- per day if the delay is beyond 15 days, a penalty of Rs. Five Thousand is payable.

If full amount due is not paid, any outstanding balance will also attract additional tax and a penalty

If a registered person fails to deposit the correct amount of tax for two consecutive months he/she will be deemed to have committed a tax fraud for which the penalty is Rs 10,000 or five percent of the amount of tax involved, whichever is higher, besides prosecution.

SALES TAX RATES

Tax Rate

Three different rates in the slabs of 15%, 17.5% and 20% have been maintained. Sales Tax is levied at the rate of 20% on the import and supply of seventy items as mentioned in Table-1 of the SRO 466(1)/2007 dated 27-06-2007, whereas seven items mentioned in Table-2 of the same SRO Notification are subject to sales tax at the rate of 17.5%. The remaining goods or services are subject to the rate of 15%, unless they happen to be exempt from sales tax under the sixth schedule to the Sales Tax Act, 1990.

Zero Rating Sec.4

Zero rated goods are those goods on which the impact of tax paid is offset by subsequently allowing refund or input adjustment equivalent to the tax already paid. Zero rating is different from exemption in the sense that no tax is to be paid on the exempt goods whereas in case of zero rated goods not only that no sales tax is payable on supply but refund or input tax adjustment of tax already paid is allowed.

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Following categories of goods fall in the category of zero rated goods:

(a) All exports (except those made by land route to Afghanistan) are zero-rated.

(b) Other zero-rated supplies are mentioned in section 4 and the Fifth Schedule of the Sales Tax Act, 1990, which include supplies to diplomats, privileged persons and privileged organizations, supplies of raw materials to Export Processing Zones, and

(c) Supplies made against international tenders.

A person making both zero-rated supplies and taxable supplies or providing taxable services will charge sales tax only on the taxable supplies /services

VALUE OF SUPPLY

For sales tax purposes, 'value' means the value on which amount of sales tax is calculated. In case of local supply, the value is the amount paid for the goods or services including all the federal and provincial taxes but excluding the amount of sales tax. Normal trade discounts are allowed under sales tax law. For imported goods the value means the value determined under the Customs Act, 1969 including the amount of customs duty and federal excise duty.

The value of supply of goods as listed in the Third Schedule of the Sales Tax Act 1990 is based on the retail price printed on the product. The goods include fruit and vegetable juices, ice cream, aerated water and beverages and cigarettes.

TIME OF SUPPLY

Sales tax is chargeable at the time of supply of goods or services. The time of supply means the time of delivery of goods by the supplier.

EXPLANATION

a) Where any goods are supplied by the registered person to an associated person and the goods are not to be removed, the time of supply shall be the time at which the goods are made available to the recipient.

b) Where the goods are supplied under hire - purchase agreement, the time of supply shall be the time at which the agreement is entered into.

Imported Goods

The time when sales tax is applicable for the imported goods is the time of importation i.e. filing of bill of entry or customs declaration. Sales tax on imported goods is collected in the same manner and at the same time as if it were customs duties on imported goods.

Services

The time of supply for services rendered is the date when the service to be performed is completed.

SALES TAX INVOICE

In terms of section 23 of the Sales Tax Act, 1990 a registered person must provide a sales tax invoice for all taxable supplies.

The tax invoice should contain the following information;

- a serial number
- name, address & registration number of the supplier;
- name, address & registration number of the buyer;
- date of issue of invoice;
- description / quantity of goods;
- value, exclusive of tax;
- amount of sales tax; and

- the rate of discount, if offered;
- value inclusive of tax.

Composite Invoice:

If more than one type of goods or services such as zero rated, exempt and taxable is included in the invoice, it must show the quantity, the amount payable, the rate of sales tax and the amount of tax for each type.

Electronic Invoicing Between Buyers And Sellers

A procedure has been devised for the registered persons who opt for electronic transmission of sales tax invoices. Every registered person who wishes to use electronic invoicing system shall seek prior authorization in writing, from the concerned collector before issuing electronic invoices. The registered person shall issue an electronic sale tax invoice for every taxable supply made by him, containing such information as required under section 23 of the Act.

The registered person shall retain the record and documents for a period of five years on electronic media.

A sales tax invoice may be generated and transmitted electronically where the authenticity of the origin and integrity of the invoice data are guaranteed by means of either an advanced electronic signature or electronic data interchange or by any other means approved by the collector. The registered person shall simultaneously transmit a copy of all such electronically issued invoices to the Collector of Sales Tax. Same shall apply to the buyer who receives electronic invoices from the registered supplier.

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"Debit Note" otherwise the contents of the debit note are similar to credit note.

Debit/Credit Notes: Sec.9

Debit or credit note may be issued to reduce or increase the amount of sales tax payable on a supply if the amount originally charged has changed because of return of goods or for some other valid reason.

Cancellation or return of supply:-

Where a registered person has made a supply, and such supply or part thereof is cancelled or returned, the buyer or the recipient shall issue a debit note (in duplicate) in respect of such supply or part thereof, indicating the quantity returned or the supply of which has been cancelled, its value determined on the basis of the value of supply, as shown in the tax invoice issued by the supplier and the amount of related sales tax paid thereon. In such a situation, the supplier shall issue a credit note with the following particulars.

- i. Name and registration number of supplier
- ii. Name and registration number of recipient.
- iii. Number and date of original Sales Tax invoice.
- iv. The original value and Sales Tax as in original invoice.
- v. The revised value and Sales Tax.
- vi. The difference of value and Sales Tax adjustable.
- vii. The reason for revision of value; and signature and seal of authorized person issuing the note.

Increase in value of supply or amount of sales tax:-

If for any reason the value of supply or the amount of Sales Tax mentioned in the invoice issued has increased the

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supplier shall issue a debit note (in duplicate, with the particulars same as above) and vice versa the buyer shall issue a credit note. A debit note must be headed

Input tax adjustment in respect of supply which has been cancelled:-

The buyer shall not be entitled to claim input tax in respect of the supply which has been cancelled or returned to the supplier or in respect of which the amount of tax was reduced.

In situations, where input tax has already been claimed by the buyer, the amount of input tax shall be increased or reduced by the corresponding amount as mentioned in the Debit note or Credit note, in the return for the period in which respective note was issued.

SALES TAX RECORDS Sec.22

A registered person (RP) must keep a record in English or Urdu of all the goods and services supplied, purchased or imported in the course of business.

Record of Sales

The record of sales should indicate the following details of goods supplied or services rendered:

- description;
- quantity;
- value;
- name and address of the customer, and
- amount of tax charged.

At the end of each month, a registered person must add up the sales tax shown in these records, and transfer the total to sales tax account as output tax.

Record of Purchases and Imports

The record of purchases and imports should indicate the following details of goods purchased or received or services hired:

- description;
- quantity;
- value;
- name, address and registration number of the supplier,
- amount of tax paid on purchases.

Record of Payments/Receipts

All payments or receipts of amount of sales tax on purchases or supplies above Rs. 50,000 (except utility bills) should be made through bank instruments indicating specified bank accounts of both the persons i.e., sellers and purchasers. It is recommended that records/ photocopies of all bank instruments through which payments of sales tax are made or received must be kept along with bank statements for the purpose of compliance of section 73 of the Act and to avoid audit complications.

Other Records

A registered person should also keep record of

- Zero-rated and exempt supplies,
- Record of invoices, credit notes, debit notes, bank statements, inventory records,
- Utility bills, salary and labor bills, rental agreements, sale purchase agreements and lease agreements.

Retention Of Record And Documents Sec.24

A registered person is required to maintain a record and documents for a period of Six years after the end of the tax period to which such record and documents relate.

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period He/she can also claim input tax paid in the immediate twelve preceding tax periods by mentioning the reasons for not claiming it earlier on the sales tax return.

Extent of Adjustment of Input Tax

In relation to tax period, a registered person shall not be allowed to adjust input tax in excess of ninety percent of the output tax for that tax period. The adjustment or refund of remaining input tax shall be made on yearly basis in the second month following the end of the financial year of the registered person.

Input Tax Adjustment on Fixed Assets

The tax charged on acquisition of fixed assets shall be adjustable against the output tax in twelve equal monthly installments after the start of production of a new unit.

Non-Adjustable Input Tax

Input tax cannot be adjusted on purchases of goods and services that are not used in making of taxable supplies.

Input tax is also not adjustable on the following goods, if acquired other than as stock-in-trade:

- Vehicles falling in chapter 87 of the First

Schedule to the Customs Act, 1969.

- Food, beverage, garments, fabrics etc and consumption on entertainment;

- Gifts and giveaways.

For further details please see SRO 490(I)/2004 dated June 12th 2004.

A tax credit cannot be claimed unless the registered person holds a

INPUT TAX AND OUTPUT TAX

An important feature of the sales tax is the adjustment of input tax paid on purchases and imports, meaning thereby that a registered person has to pay sales tax only on his value addition.

Output tax (V. Imp)

It is the total amount of sales tax charged at current rate of sales tax on taxable sales made during the month i.e. total sales excluding exempt and zero-rated supplies

Input tax (V. Imp)

It is the amount paid by the registered person on business purchases and imports. He/she can claim a deduction for the sales tax paid as input tax if used in the manufacture of taxable supplies.

Tax Due

For a particular tax period it will be the output tax minus input tax during that tax period..

An Example

For example if a registered person has bought goods that cost Rs 100 and he/she is charged Rs 15 as sales tax (input tax) at the rate of 15% his total purchase price becomes Rs 115. If he/she sells the goods for Rs 200 and charges Rs 30 @ 15%(as output tax) his total sale price becomes Rs 230.

Output tax (15% of 200) = Rs. 30

Less: Input tax (15% of 100) = Rs. 15

Tax due (Rs. 30 minus Rs. 15) = Rs. 15

Adjustable Input Tax

In a particular tax period, a registered person can adjust input tax paid on goods and services purchased from local market, imported from abroad and goods purchased in auction during that tax

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valid tax invoice or bill of entry or treasury challan Form in case of goods purchased in auction.

Input tax credit cannot be claimed also if payment of the amount of sales tax is not made or received through banking channel as prescribed in section 73 of the Act.

Partial Exemption / Apportionment

Under the Sales Tax law, adjustment of input tax paid on raw materials, is admissible only in case of taxable supplies. The law does not allow adjustment of input tax paid on raw materials relating to exempt supplies.

There may be situations, where registered persons make taxable and exempt supplies simultaneously. In such situation following formula has been devised in Chapter iv of Sales Tax Rules 2006:

$$RITC \text{ (on taxable supplies)} = \frac{VTS \times RIT}{(VTS + VES)}$$

Where

RITC=Residual input tax credit
VTS= Value of Taxable Supplies

VES= Value of Exempt Supplies

RIT= Residual Input Tax

In the above formula, "residual input tax" means the amount of tax paid on raw materials, components and capital goods having used for making taxable supplies as well as exempt supplies, but does not include the input tax paid on raw materials used wholly for making taxable or exempt supplies.

An Example

If the amount of tax paid on raw materials, components and capital goods used for taxable as well as exempt supplies is Rs. 100. If out of this amount of Rs. 100, Rs. 20 is paid for inputs used in taxable supplies and Rs. 30 is paid for inputs used in the production of exempt supplies then Rs. 50 i.e. 100-(20+30) is the "residual input tax".

Now the residual input tax credit on taxable supplies can be calculated as below

Suppose:

VTS=90, VES=60 then,

$$RITC \text{ (on taxable supplies)} = \frac{90 \times 50}{(90+60)} = 30$$

Monthly adjustment of input tax claimed by a registered person through above formula shall be treated as provisional adjustment and at the end of each financial year, the registered person shall make final adjustment on the basis of taxable and exempt supplies made during the course of that year.

SALES TAX REFUNDS Sec.11

o If the input tax paid by a registered person on taxable purchases made during a tax period exceeds the output tax on account of zero rated local supplies or export made during that tax period, the excess amount of input tax shall be refunded to the registered person not later than forty five days of filing of refund claim in such manner and subject to such conditions as the board may, by a notification in the official Gazette specify.

Who can claim refund?

Refund of sales tax paid as input tax can be claimed by the following registered persons in the respective situations:

(a) Registered manufacturer-cum-exporters and commercial exporters who zero rate all or part of their supplies under section 4 of the Act;

(b) registered persons who acquire tax paid inputs for use thereof in the manufacture of goods chargeable to sales tax at the rate of zero percent under the Act or a notification issued there-under

(c) Registered persons claiming refund of the excess amount of input tax which could not be consumed within three months

(d) Registered persons who acquire tax paid inputs used in the export of goods, local supply of which is exempt under the Act or any notification issued there-under.

(e) Refund can also be claimed if an amount of sales tax is paid inadvertently or by mistake.

may also be

(f) Refund may also be claimed if an amount is paid on demand of the department, but subsequently the demand is set aside by any competent authority, Tribunal or Court.

Filing Of Refund Claim.

Monthly sales tax return filed by a claimant shall be treated as a refund claim once all the supportive documents including the requisite data in the format or software has been received. No refund claim shall be entertained if the claimant fails to furnish the claim on the

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prescribed software alongwith the supportive documents within sixty days of the filing of return.

Required Supportive Documents For Refund Claim.

The refund claimant shall submit to the Refund Division of the concerned Commissioner, RTO or Large Taxpayer Office, as the case may be, the refund claim in computer diskette in the prescribed format or software along-with the following documents, namely:-

(a) Input tax invoices or as the case may be, goods declaration for import in respect of which refund is being claimed;

(b) output tax invoices and summary of invoices for local zero rated goods.

(c) goods declaration for export (quadruplicate copy) indicating Mate Receipt number with date or airway bill or railway receipt or postal receipt besides the examination report endorsed on the reverse side thereof by the customs officers; in case of claims by persons other than manufacturer-cum-exporter of goods zero-rated in a notification issued under section 4 of the Act.

Provided that in case of imports or exports processed through PACCS, submission of goods declaration shall not be required and cases shall be processed by cross-matching of the declarations with the data available in the system.

(d) copy of House and Master bill of lading and airway bill or as the case may be, railway receipt in token or verification of the

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goods taken out of Pakistan, and

(e) statement of the tax paid inputs, in respect of which refund is claimed by the claimants other than the manufacturers of the goods zero-rated for supplies.

(2) In addition to the documents specified above, a commercial exporter shall submit bank credit advice issued by the concerned bank and copy of the duty drawback order, if issued by the customs authorities.

(3) Where the refund claim is filed under section 66 of the Act, the claimant shall submit an application for refund indicating his name, address, registration number, the amount of sales tax refund claimed and reasons for seeking such refund along-with following documents, namely:—

(a) input tax invoices in respect of which refund is claimed;

(b) proof of payment of input tax claimed as refund; and

(c) copy of the relevant order on the basis of which refund is claimed.

(4) The refund claimed under section 66 of the Act shall be sanctioned after verifying that no adjustment or refund of input tax has been claimed earlier and that the goods have been duly accounted for in the inventory records and the invoices claimed are validated by the CREST (Computerized Risk - Based Evaluation of Sales Tax) System.

Refund of Amount Overpaid

If a registered person has over paid sales tax because of error, he/she may request a refund of the over paid amount

from the tax authorities within one year after the payment is made or after the decision or order causing the refund is announced from the end of the period for which a claim is made.

ADJUDICATION

In situations which involve contravention on the part of the registered person with respect to assessment of tax, recovery of amount erroneously refunded, charging of default surcharge, imposition of penalty and any other contravention under the Sales Tax Act, the sales tax officers are vested with the powers and jurisdiction to adjudicate such cases after issuing the proper show cause notice and providing opportunity of hearing to the taxpayer.

Jurisdiction and Monetary Competence:-

For the purpose of adjudication, the jurisdiction of respective adjudicating officers is fixed according to the amount of tax involved or amount erroneously refunded as following:

Additional Collector	Unlimited
Deputy Collector	Above Rs.1 million And below Rs.2.5 million.
Assistant Collector	Above Rs.10000 and— below Rs.1 million
Superintendent	Below Rs.10000

Requirement of show cause notices for adjudication:-

When the tax is not levied, short levied or erroneously refunded by reason of some collusion or some deliberate act, the person liable to pay the tax or refund shall be served with a notice within five years of the relevant date, requiring him to show cause for payment of amount specified in the notice.

When the recovery of tax or refund is necessitated due to any

inadvertence, error or misconstruction, the person liable to make the payment shall be served with show cause notice within three years of the relevant date. The expression relevant date means the time when the tax was due to be paid, and in case where tax has been erroneously refunded, the date of its refund.

APPEAL TO THE COMMISSIONER APPEALS:

An appeal can be filed with the Collector (Appeals) against the order-in-original passed by the Additional Collector, Deputy Collector, Assistant Collector and Superintendent.

Limitation of time:-

An appeal before the collector (Appeals), has to be filed within thirty days of the receipt of decision or order passed by the Additional Collector, Deputy Collector, Assistant Collector or Superintendent.

Condonation of delay:-

An appeal preferred after the expiry of thirty days may be admitted by the Collector (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period.

Format of Appeal:-

No specific format for appeal has been prescribed under the law. It is however advisable that Memo of appeal should be accompanied by supporting documents such as show cause notice issued to the appellant by the adjudicating officer at the original stage, order-in-original passed by the adjudicating authority and the documentary evidential material in support of the appellant.

Requirement of partial payment of principal amount:-

Any person desirous of, preferring an appeal against any decision or order

Jobs Test Preparation relating to any tax demand or any penalty imposed under the Sales Tax Act, shall, before preferring the appeal deposit 15% of the principal amount of tax under such decision or order.

Grant of stay by the Collector:-

Once the appellant has deposited 15% of the principal amount of tax, recovery of remaining amount of tax due shall be stayed for a period not exceeding six months following the day on which the 15% amount of principal tax was deposited, unless the case is finally decided earlier.

Waiver of prior deposit of tax:-

In any case, where Collector (Appeals) is satisfied that the deposit of tax as aforesaid, is likely to cause undue hardship to the appellant, he may dispense with such deposit, subject to such conditions or restrictions, he may deem fit to impose.

How the appeal is settled:-

The Collector of Sales Tax (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against.

APPEAL TO THE APPELLATE TRIBUNAL

An appeal can be filed against the order of the Collector (Appeals) before the Appellate Tribunal.

Limitation and computation of time:-

The limitation for preferring an appeal against any order or decision of an officer of Sales Tax under the Act is 60 days from the date of receipt of such order or decision. The day on which the order is passed and the period upto issue and receipt of the order is to be

excluded in computing the period of limitation of 60 days.

Condonation of delay:-

The Appellate Tribunal has been empowered to condone the delay in filing the appeal, if it is satisfied that the appellant had sufficient cause for not filing the appeal within time.

Payment of Appeal fee:-

For filing appeal a fee of Rs. 1000 has to be deposited in the government Treasury (or in any designated branch of the National Bank of Pakistan) under the head "B02341-Sales Tax".

REFERENCE TO THE HIGH COURT

Persons legible to file reference to the High Court:-

The person aggrieved by the order of Appellate Tribunal may prefer an application to the High Court.

Limitation of Time:-

The reference has to be filed within ninety days of the communication of the order of the Appellate Tribunal.

Issues on which reference can be filed:-

Reference to the High Court can be filed if a question of law arises out of the Appellate Tribunal's order, against which application is being preferred.

Grant of stay by the High Court:

Notwithstanding that a reference has been made to the High Court, the tax shall be payable in accordance with the order of the Appellate Tribunal. However, where a recovery of tax has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the reference is decided, or such order is withdrawn, by the High Court, earlier.

Number of Copies of application:-

The application must be made in triplicate.

Application Fee:-

The application must be accompanied with a payment challan showing deposit of Rs. 100 in the treasury, or National Bank of Pakistan or State Bank of Pakistan.

LEAVE TO APPEAL TO THE SUPREME COURT:-

Against the order of the High Court a leave to appeal can be sought from the Supreme Court of Pakistan.

Alternative Dispute Resolution:-

With a purpose to reduce the volume of long pending disputes between the department and the taxpayers the government has devised an alternative arrangement whereby disputes may be settled between the parties out of court. This arrangement has been provided for in section 47- A of the Sales Tax Act, 1990, whereby taxpayers can apply to the Board for constitution of Alternative Dispute Resolution Committee. Only those cases can be requested for alternative dispute resolution which are pending at some appellate forum. The committee comprises one chairman and two members. The chairman and one member of the committee are from the private sector whereas the second member is to be a Collector or an Additional Collector. The applicant taxpayer is to submit the application to the Board in four copies, i.e. one copy for each of the official on the panel of the committee and the remaining for the record. The application should contain facts and arguments on the case and supporting references such as copies of show cause notice, order-in-original, order-in-appeal and citations and authorities to be quoted, if any. The Board, after scrutinizing the application, constitutes the committee. The committee after affording the hearing

opportunity to both the parties concludes its report of recommendations and forwards the same to the Board. The Board may on the recommendation of the committee, pass such order as it deems appropriate. In case the matter is already sub-judice before any authority, or tribunal or court, an agreement made between the registered person and the Board in the light of recommendations of the committee shall be submitted before that authority, tribunal or the court for consideration and orders as deemed appropriate.

TAXPAYER'S AUTHORIZED REPRESENTATIVES

Who can be authorized?

A taxpayer can authorize the following persons to represent the taxpayer before the adjudicating authority and the Appellate Tribunal.

- i) A full time employer of the taxpayer, holding at least a bachelor degree.
- ii) A practising lawyer
- iii) A person holding a bachelor or Masters degree in Commerce.
- iv) A retired officer of Sales Tax, Customs or Federal Excise department who has put in at least 10 years of satisfactory service not lower than post of an Assistant collector.
- v) An accountant.

Who cannot be authorized?-

- i) A person who has been convicted of criminal proceedings.
- ii) A person compulsorily dismissed or retired from service.
- iii) A person who is undischarged insolvent.

On receipt of complaint for misconduct against an authorized representative, the adjudicating authority, Appellate Tribunal or the Board may disqualify him from representing the taxpayer

How to appoint an authorized representative:-

In order to appoint his authorized representative, a taxpayer shall issue a letter of authorization, duly signed by the proprietor, partner or director of the company or, business concern, which shall be submitted by the authorized representative before the adjudicating authority or Appellate Tribunal.

RECOVERY

Initiation of Recovery

Once an amount of government dues is adjudged against the taxpayer, on expiry of thirty days from the date of such judgment, the referring authority i.e. an officer not below the rank of an Assistant Collector, desiring to recover government dues may deduct the amount from any money owing to the person from whom such amount is recoverable and which may be at the disposal or in the control of such officer.

In case the government dues are not fully recovered by way of aforesaid manner, the referring authority may,-

- (a) serve a notice to the Sales Tax, Customs, Federal Excise and Income Tax officers to deduct the Government dues from any money owing to the defaulter which may be under their control; and a copy of such notice shall be endorsed to the defaulter;
- (b) require by notice in writing, any person or organization who holds, or may subsequently hold, any money for or on account of the defaulter, to pay

to such officer the amount specified in the notice;

- (c) require, by notice in writing, the customs officers to stop the clearance of any goods imported by the defaulter, and
- (d) attach the bank accounts of the defaulter

Either before or after the initiation of recovery proceedings, the Collector may, if so requested by the person concerned, recover the dues in such installments as he may deem proper.

In case a registered person pays the amount of tax less than the due tax as indicated in his return, the referring authority may directly proceed to recover the short-paid amount by attachment of the bank accounts of the defaulter or through stoppage of clearances from the business premises, after serving a notice for payment of the short-paid amount in three days.

Stoppage of clearances and sealing of business premises.—

(1) In case the government dues are not recovered in the aforesaid manner, the referring authority shall serve upon the defaulter a notice, informing him that removal of any goods from his business premises shall be stopped with effect from the date specified in the notice till such time the dues are paid or recovered in full.

Provided that if the government dues still remain unpaid, the referring authority shall seal the business premises of the defaulter till such time the dues are paid or recovered in full.

(2) If the referring authority is satisfied that the defaulter is likely to conceal, remove or dispose of the whole or any part of such of his movable or immovable property, as shall be liable to attachment in the process of recovery, and that the realization of government dues in consequence be

delayed or obstructed, he may at any time after the issuance of the notice direct, for reasons to be recorded in writing, execution of the notice by ignoring the specified time limit.

(3) The referring authority may, if he deems fit, publish such recovery notice, in one or more newspapers circulated in the district of normal residence of the defaulter.

Demand note.—

In the event of failure of aforesaid recovery measures taken by the referring authority, the referring authority, shall issue a demand note, to the Recovery Officer, specifying therein the details of Government dues meant for recovery and shall also certify that the formalities under clauses (a), (b), (c), (ca), (d) and (f) of sub-section (1) of section 48 of the Act have been completed and there exists no bar or stay order against the proposed recovery.

Attachment and sale of property.—

The Recovery Officer, on receipt of the demand note, shall serve upon the defaulter a notice and his movable and immovable property shall stand attached and subsequently shall be sold if the recovery is not otherwise effected.

SALES TAX AUDIT

All registered/enrolled taxpayers are liable to audit by authorized sales tax Auditors at least once in a year.

In some cases Chartered Accountant or a Cost & Management Accountant appointed by the CBR may also conduct audit.

Advanced Audit Notice

The local Sales Tax Office informs the registered person about a proposed visit of the auditor in advance. The advance notice includes:

- details of the record required to be audited;
- the period to be covered,
- starting date for the audit, and
- name of the auditors.

Sometimes however, audit may be conducted without advance notice. In such an event, the auditors will identify themselves, and show their authority for the visit. If there are any doubts about the veracity of the audit or the auditors, a registered person may contact the Collector of the local Sales Tax Office to confirm the information given by the auditors.

A registered person is required to cooperate with the auditors and give all business records to them. This includes:

- sale and purchase invoices
- Sale and purchase ledgers or records
- Credit notes and debit notes
- Record of daily aggregate sales (if applicable), etc.
- Inventory records
- Import documents
- Bank statements

Audit Observation

On completion of audit, the auditors will give a copy of an audit observation pointing out any contraventions of the Act or Rules. The registered person has the right to present his point of view on these observations within fifteen days of the receipt of such observations.

Audit Report

In case the reply from the registered person is not received within 15 days or the Assistant Collector Audit is not satisfied with the reply, he/she issues an audit report specifying the violations of the Act or rules committed by the registered person along with the

amount of tax or charge payable by the registered person

Concessions

If a registered person deposits the amount of tax short paid or evaded along with additional tax before he/she receives a notice for audit, penalty shall not be payable

However, if the same is done any time during the audit or before issuance of audit report, he/she would have to pay 25 percent of the penalty payable under section 33 of the Act. In case it is done after the show cause notice is issued, he/she would have to pay the full amount of penalty under section 33 of the Act.

Structure of Sales Tax Act 1990

10 CHAPTERS,

75 SECTIONS,

09 SCHEDULES

Chapter I (Sec. 1-2)

Short title, extent and commencement

Definitions

Chapter-II (Sec.3-13)

SCOPE AND PAYMENT OF TAX

Chapter-III (Sec.14-21)

REGISTRATION

Chapter-IV (Sec.22-25)

BOOK KEEPING AND INVOICING REQUIREMENTS

Chapter-V (Sec.26-29)

RETURNS

Chapter-VI (Sec.30-32)

APPOINTMENT OF OFFICER OF SALES TAX & THEIR POWERS

Chapter-VII (Sec.33-42)

OFFENCES AND PENALTIES

Chapter-VIII (Sec.43-47)

APPEALS

Chapter-VIII-A

SETTLEMENT OF CASES

Chapter-IX (Sec.48)

RECOVERY OF ARREARS

Chapter-X (Sec.49-75)

MISCELLANEOUS

Important Points of Sales Tax Act 1990

Section 3	3 rd Schedule (Taxable Supplies)
Section 4	5 th Schedule (Zero Rated Supplies)
Section 13	6 th Schedule (Exempted Supplies)

- > CREST stands for Computerized Risk Based Evaluation of Sales Tax.
- > Appellate tribunal means appellate tribunal inland revenue under section 130 ITO, 2001.
- > The expression "KIBOR" means Karachi Inter-bank offered Rate prevalent on the first day of each quarter of the financial year.
- > Sales Tax account means an account representing the double entry recording of sales tax transactions in the books of accounts.
- > Tax fraction means amount worked out in accordance with following formula

$$\frac{A}{100 + a}$$

Authorities of Sales Tax

- (a) A Chief Commissioner of Inland Revenue
- (b) A Commissioner of Inland Revenue
- (c) A Commissioner of Inland Revenue (Appeals)
- (d) An Additional Commissioner of Inland Revenue
- (e) A Deputy Commissioner of Inland Revenue
- (f) An Assistant Commissioner of Inland Revenue
- (g) An Inland Revenue Officer
- (h) A Superintendent Inland Revenue
- (i) An Inland Revenue Auditor Officer
- (j) An Inspector Inland Revenue

Sales Tax Preliminary Section MCQs

1. "Appropriate officer" means an _____ authorized by the Board by notification in the official Gazette to perform certain functions under this Act.
 - a) Assistant Commissioner Inland Revenue
 - b) Deputy Commissioner Inland Revenue
 - c) Commissioner Inland Revenue
 - d) Officer of Inland Revenue
2. A registered person becomes an inactive taxpayer if it satisfies all the following conditions except:
 - a) Fails to file tax return by the due date for one month
 - b) Fails to file return by the due date for two consecutive months
 - c) Fails to file return by the due date for three consecutive months
 - d) Fails to file return by the due date for four consecutive months
3. The Appellate Tribunal Inland Revenue is established under Section _____.
 - a) 128 of the Income Tax Ordinance, 2001
 - b) 129 of the Income Tax Ordinance, 2001
 - c) 130 of the Income Tax Ordinance, 2001
 - d) 131 of the Income Tax Ordinance, 2001
4. A person will become an Inactive taxpayer if it satisfies all the following conditions except:
 - a) Files Tax return or statement under Sections 114 or 115 under the Income Tax Ordinance, 2001
 - b) Who fails to file two consecutive monthly or an annual withholding tax statement under Section 165 of the Income Tax Ordinance, 2001?
 - c) Does not File any tax return
 - d) Files Tax Returns, statements, monthly and annual statements
5. Active taxpayer is a person who does not falls in the category of:
 - a) blacklisted
 - b) whose registration is suspended
 - c) Fails to file his tax return under Section 114(4) of the ITO 2001
 - d) Fails to file his tax return u/s 26 for consecutive two months
 - e) All of the above.
6. The Sales tax due and payable by in relation to a person under this Act, which has not yet been paid on that day shall be called as ____:
 - a) Default
 - b) Penalty
 - c) Arrears
 - d) Surcharge
7. Two persons shall not be associates solely by reason of the fact that:
 - a) one person is an employee of the other or both persons are employees of a third person
 - b) Both are partners in a

- concern
- c) Both hold shares in a partner concern
- d) Both are employing same staff for a task
8. Two persons are not associates if:
- a) They have no influential relationship, stake or concern or they can't act in accordance with each other.
- b) They have a relationship of influence
- c) They can be expected to act in accordance to each other
- d) both persons may reasonably be expected to act in accordance with the intentions of a third person
9. Following shall be treated as associates According to Section 2(3):
- a) Government and Opposition
- b) Government and Contractor
- c) Owner and buyer
- d) An individual and a relative of the individual
10. An AOP i.e. "association of persons" can be any of the following except
- a) a firm,
- b) a Hindu undivided family,
- c) anybody of persons formed under a foreign law,
- d) a company
11. According to Section 2(5A) a "Common taxpayer identification number" is only one of the following:

- a) Registration number
- b) NTN number
- c) STRN
- d) FTN
12. According to Section 2(5AA) a company can be any of the following except:
- a) a company as defined in the Companies Ordinance, 1984 (XL VII of 1984)
- b) a body corporate formed by or under any law in force in Pakistan
- c) a modaraba
- d) A joint venture of two companies
13. Following Societies shall by fiction of law have their identity as company According to Section 2(5AA) except:
- a) a simple housing society
- b) a co-operative society
- c) a finance society
- d) any other society established or constituted by or under any law for the time being in force
14. Cottage industry is exclusively defined for a:
- a) Retailer
- b) Wholesaler
- c) Manufacturer
- d) Distributor
15. A manufacturer is said to be a "cottage industry" if its annual turnover from taxable supplies made in any tax period during the last twelve months ending any tax period doesnot exceed:
- a) Two million rupees
- b) Three million rupees
- c) Four million rupees
- d) Ten million rupees
16. A manufacturer is said to be a

"cottage industry" if its annual utility (electricity, gas and telephone) bills during the last twelve months ending any tax period do not exceed:

- a) Rs 800,000/-
- b) Rs 700,000/-
- c) Rs 600,000/-
- d) Rs. 500,000/-
17. All of the following except one falls in the category of defaulter According to Section 2(6A):
- a) Person
- b) Friend
- c) Relative
- d) Stranger
18. All of the following fall in the category of defaulter According to Section 2(6A) in case of a company or firm except:
- a) Employee
- b) Guarantors or Successors
- c) Director
- d) Partner
19. According to Section 2(7) a "Distributor" can be appointed by any one of the following except:
- a) manufacturer
- b) importer
- c) any other person
- d) distributor
20. According to Section 2(7) a "Distributor" can be appointed to operate:
- a) in area of manufacturer only
- b) In a specified area
- c) In an economic zone
- d) In an industrial zone
21. According to Section 2(7) a "Distributor" can be any one of the following except:

- Jobs Test Preparation
- a) Wholesaler
- b) Retailer
- c) Manufacturer
- d) General Order Supplier
22. According to Section 2(9) "due date" in relation to the furnishing of a return under Section 26 means
- a) the 15th day of the month following the end of the tax period
- b) the 14th day of the month following the end of the tax period
- c) the 13th day of the month following the end of the tax period
- d) the 12th day of the month following the end of the tax period
23. According to Section 2(9A) "e-intermediary" means a person appointed as e-intermediary under Section 52A for filing of electronic returns and such other documents as may be prescribed by the Board from time to time, on behalf of a _____
- a) registered person
- b) suspended person
- c) blacklisted
- d) de-registered person
24. According to Section 2(10) an "establishment" is all of the following except:
- a) an undertaking
- b) firm or company
- c) an association of persons or an individual
- d) Relative
25. Exempt supply is defined in Section:
- a) 11
- b) 12
- c) 13
- d) 14

- Jobs Test Preparation
26. According to Section 2(12) only one of the following falls under the definition of goods:
- Money
 - Moveable property
 - Stocks
 - Shares
27. According to Section 2(14) input tax will be allowed to:
- Blacklisted person
 - Registered person
 - Suspended person
 - Unregistered person
28. According to Section 2(14) input tax means:
- tax levied under this Act on commission transfer arrangement of goods to the person
 - tax levied under this Act on supply of goods to the person
 - tax levied under this Act on destruction of goods to the person
 - tax levied under this Act on no supply of purchase to the person
29. Input tax credit is allowed on all except one of the following only:
- Provincial Sales Tax levied on services rendered or provided to the person
 - Tax levied under this Act on supply of goods to the person
 - Tax levied under this Act on the import of goods by the person
 - District Sales Tax levied under this Act on the import of goods by the person

30. According to Section 2(14) input tax is allowed on any one of the following except:
- tax levied under the Federal Excise Act, 2005 in Income tax mode
 - tax levied under the Federal Excise Act, 2005 in Provincial Excise tax mode
 - tax levied under the Federal Excise Act, 2005 in sales tax mode
 - tax levied under the Federal Excise Act, 2005 in District sales tax mode
31. According to Section 2(20) output tax is valid for all except:
- tax levied under this Act on a supply of goods, made by the person
 - tax levied under the Federal Excise Act, 2005 in sales tax mode
 - Provincial sales tax levied on services rendered or provided by the person
 - tax levied under this Act on the import of goods by the person
32. "Open market price" means the consideration in money which that supply or a similar supply would generally fetch in:
- Stock Exchange
 - an open market
 - an open shop
 - an open plaza
33. Following doesn't fall in the definition of a "person" According to Section 2(21) of the Sales Tax Act 1990:
- An individual
 - Provincial Government
 - Federal Government

- d) A Relative
34. According to Section 2(22A) Provincial Sales Tax means tax levied under the laws of:
- Provincial Government
 - District Government
 - Federal Government
 - Local Government
35. According to Section 2(23) "registered office" is the office or other place of business specified by the _____ in the application made by him for registration under this Act or through any subsequent application to the Commissioner:
- Listed person
 - Registered person
 - Applicant of registration
 - Unregistered person
36. According to Section 2(25) a registered person is one who is:
- Doing Business but not liable to be registered
 - Applying for registration
 - Applying for restoration
 - Registered or liable to be registered
37. According to Section 2(27) retail price with reference to Third Schedule is always fixed by the:
- Wholesaler or Dealer
 - Retailer or Consumer
 - Manufacturer or Importer
 - Distributor or Owner
38. A person supplying goods to general public for the purpose of consumption is called:
- Retailer
 - Dealer
 - Wholesaler
 - Manufacturer
39. According to Section 2(29A) following fall in the category of sales tax except:

- The tax under Sale Tax Act, 1990
 - Additional tax
 - Default surcharge
 - Octroi
40. Special Audit is conducted under Section:
- 25
 - 26
 - 38
 - 32A
41. According to Section 2(33), following constitute a supply, except:
- a sale
 - Transfer of the right to dispose of goods as owner
 - Sale or transfer under a hire purchase agreement
 - Purchase of raw material
42. According to Section 2(33A) supply chain is:
- the series of transactions between buyers and sellers from the stage of final purchase or import to the stage of final supply
 - the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of first supply
 - the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply
 - the series of transactions between buyers and sellers from the stage of last purchase or import to the stage of final supply
43. According to Section 2(35) taxable activity is a:

- a) Personal activity
- b) Recreational activity
- c) Economic activity
- d) Legal activity

44. According to Section 2(35) taxable activity is all of the following except:

- a) an activity carried on in the form of a business, trade or manufacture
- b) an activity that involves the supply of goods, the rendering or providing of services, or both to another person
- c) an activity for private recreational purpose.
- d) a one-off adventure or concern in the nature of a trade

45. According to Section 2(35) taxable activity can be any one of the following only:

- a) the activities of an employee providing services in that capacity to an employer;
- b) anything done or undertaken during the commencement or termination of the economic activity
- c) an activity carried on by an individual as a private recreational pursuit or hobby; and
- d) an activity carried on by a person other than an individual which, if carried on by an individual would be a hobby

46. A person is guilty of tax fraud in terms of Section 2(37) if he makes:

- a) Purchase from unregistered

- b) Sale to unregistered person
- c) Taxable supplies without getting registered
- d) Imports without license

47. A person is guilty of tax fraud according to Section 2(37) if he is:

- a) underpaying the tax liability for two consecutive tax periods
- b) understating the tax liability for three consecutive tax periods
- c) underpaying the tax liability for four consecutive tax period
- d) overpaying the tax liability for five consecutive tax periods

48. According to Section 2(41) taxable supply is supply of taxable goods made by following except:

- a) Importer or manufacturer
- b) Transporter
- c) wholesaler (including dealer)
- d) distributor or retailer

49. According to Section 2(40) tax invoice is a document to be issued under Section:

- a) 21
- b) 22
- c) 23
- d) 24

50. According to Section 2(43) tax period other than that specified by the Federal Government, is:

- a) Six months
- b) Three months
- c) One month
- d) Nine months

51. According to Section 2(44) "time of supply", in relation to a supply of goods, is defined as the time

correctly in all but one case

- a) at which the goods are delivered
- b) made available to the recipient of the supply
- c) at time when goods are purchased but neither payment is made nor delivery is affected
- d) the time when any payment is received by the supplier in respect of that supply

52. According to Section 2(44) "time of supply", in relation to a supply of goods under a hire purchase agreement, means:

- a) The time at which payment is made without an agreement
- b) The time at which neither agreement nor payment is made
- c) The time at which the agreement is entered into
- d) The time at which the agreement is cancelled

53. According to Section 2(44) "time of supply", in relation to provision of services, means only one of the following:

- a) The time at which services are booked
- b) The time at which services are negotiated
- c) The time at which services are inquired
- d) The time at which services are rendered or provided

54. According to Section 2(44) "time of supply", in relation to a supply where any part payment is received for the supply in a tax period it shall be accounted as follows:

- a) in the return for another tax period

- b) in the return for that tax period
- c) in the return for previous tax period
- d) in the return for the next period

55. According to Section 2(44) "time of supply", in relation to a supply where any part payment is received for exempt supply in a tax period it shall be accounted as follows:

- a) it shall be accounted for in the return for the tax period during which the exemption is available for such supply
- b) it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such supply
- c) it shall be accounted for in the return for the next year same tax month
- d) it shall be accounted for in the return for the end tax period that year

56. According to Section 2(46) "value of supply" in respect of a taxable supply is defined as all of the following except:

- a) the consideration in money including which the supplier receives from the recipient for that supply but excluding the amount of tax
- b) the consideration in money including all Federal and Provincial duties and taxes, if any, which the purchaser receives from the supplier for that supply but excluding the amount of tax
- c) the consideration in

- money including all Federal and Provincial duties and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax
- d) the consideration in money excluding all Federal and Provincial duties and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax
57. According to Section 2(46) "value of supply" in respect of a taxable supply in case consideration is received partly in money form and partly in kind the value of supply will be:
- a) closed market price of the supply excluding the amount of tax
 - b) new market price of the supply excluding the amount of tax
 - c) open market price of the supply excluding the amount of tax
 - d) Open market price of the supply including the amount of tax
58. According to Section 2(46) "value of supply" in case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is lower than the open market price, the value of supply shall mean the:
- a) new market price of the supply excluding the amount of tax
 - b) closed market price of the supply excluding the amount of tax
 - c) open market price of the supply excluding the amount of tax
 - d) Open market price of the supply including the amount of tax
59. According to Section 2(46) "value of supply" in case a taxable supply is made to a consumer from general public on installment basis on a price inclusive of mark up or surcharge rendering it higher than open market price, the value of supply shall mean:
- a) higher market price of the supply excluding the amount of tax
 - b) lower market price of the supply excluding the amount of tax
 - c) open market price of the supply excluding the amount of tax
 - d) Last market price of the supply excluding the amount of tax
60. According to Section 2(46) "value of supply" in case of trade discounts:
- a) the discounted price including the amount of tax
 - b) the cumulative price excluding the amount of tax
 - c) the aggregate price including the amount of tax
 - d) the discounted price excluding the amount of tax
61. According to Section 2(46) "value of supply" in case where for any special nature of transaction it is difficult to ascertain the value of a supply:
- a) the open market price

- b) the lower market price
 - c) the higher market price
 - d) the middle market price
62. According to Section 2(46) "value of supply" in case of imported goods, the value determined under Section _____ of the Customs Act 1969 including the amount of customs-duties and central excise duty levied thereon.
- a) 123
 - b) 245
 - c) 25
 - d) 260
63. According to Section 2(46) "value of supply" in case in case where there is sufficient reason to believe that the value of a supply has not been correctly declared in the invoice:
- a) the value determined by the Valuation Committee comprising representatives of trade and the Inland Revenue constituted by the Additional Commissioner
 - b) the value determined by the Valuation Committee comprising representatives of trade and the Inland Revenue constituted by the Deputy Commissioner
 - c) the value determined by the Valuation Committee comprising representatives of trade and the Inland Revenue constituted by the Commissioner
 - d) the value determined by the Valuation Committee comprising representatives of trade and the Inland Revenue constituted by the Chief

64. According to Section 2(46) "value of supply" in case the goods other than taxable goods are supplied to a registered person for processing, the value of supply of such processed goods shall mean the price excluding the amount of sales tax which such goods will fetch on.
- a) purchase in the market
 - b) sale in the market
 - c) trade in the market
 - d) barter in the market
65. According to Section 2(46) "value of supply" in case in case of a taxable supply, with reference to retail tax, which a supplier will charge at the time of making taxable supply by him:
- a) the price of taxable goods excluding the amount of wholesale tax
 - b) the price of taxable goods excluding the amount of import tax
 - c) the price of taxable goods excluding the amount of net tax
 - d) the price of taxable goods excluding the amount of retail tax

ANSWERS

1	D	21	C	41	D	61	A
2	A	22	A	42	C	62	C
3	C	23	A	43	D	63	C
4	C	24	D	44	C	64	B
5	D	25	C	45	B	65	D
6	C	26	B	46	C		
7	A	27	B	47	A		
8	A	28	B	48	B		
9	C	29	D	49	C		

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10	D	30	C	50	C
11	A	31	B	51	C
12	D	32	B	52	C
13	A	33	D	53	D
14	C	34	C	54	B
15	D	35	B	55	B
16	A	36	D	56	C
17	A	37	C	57	C
18	A	38	C	58	C
19	D	39	D	59	C
20	B	40	D	60	A

SECTION-3 CHARGING PROVISIONS

This is the most important provision in the Sales Tax Act. It establishes the charge of tax. Always remember it as charging section or charging provision. In tax statutes, charging provision is the foremost thing.

- According to Section 3(1) of Sales Tax Act 1990, a registered person is required to collect tax at the rate of:
 - 16%
 - 17%
 - 18%
 - 19%
- According to Section 3(1) levy of tax is applicable only on:
 - Exempt supply
 - Taxable supply and imports
 - Customable goods
 - Exempt services
- According to Section 3(1A) where taxable supplies are made to a person who has not obtained registration number the rate of extra tax will be:
 - 1%
 - 2%
 - 7%
 - 8%
- According to Section 3(2), taxable supplies specified in the Third Schedule shall be charged to tax at the rate of _____ of retail price:
 - 16%
 - 15%
 - 17%
 - 18%

- According to Section 3(2), it is the responsibility of the _____ to legibly, prominently, and indelibly print or emboss retail price along with the amount of sales on each article, packet, container, package, cover or label:
 - Wholesaler
 - Retailer
 - Manufacturer or Importer
 - Supplier
- According to Section 3(2), goods mentioned in the Eighth Schedule can be charged to tax at:
 - 16%
 - 17%
 - 18%
 - As specified in the schedule
- According to Section 3(3), liability to pay tax shall be in the case of supply of goods:
 - The person receiving the supplying the goods
 - The person transporting the supply
 - The person making the supply
 - The person weighing the supply
- According to Section 3(3), liability to pay tax shall be in the case of goods imported into Pakistan:
 - of the person sending the imported goods
 - of the person supplying the imported goods
 - of the person exporting the imported goods
 - Importer
- According to Section 3(3A), the Federal Government may, by a notification in the official Gazette, specify the goods in respect of which the liability to pay tax shall be:
 - The person transporting the supply
 - The person making the supply
 - The person importing the supply
 - The person receiving the supply
- According to Section 3(3B) _____ sales tax is applicable on the import and supply of the goods specified in the Ninth Schedule to the Sales Tax Act:
 - 17%
 - 19%
 - 0%
 - Rates specified in the schedule
- According to Section 3(5) the Federal Government may in addition to tax levied under sub-Sections (1), (4) and (5) levy and tax at such extra rate or amount not exceeding:
 - 10%
 - 15%
 - 17%
 - 16%
- According to Section 3(7) the Federal Government may, by notification in the official Gazette, specify any person or class of person to _____:
 - Pay Tax
 - Withhold Tax
 - Monitoring Tax
 - Supervise Tax
- According to Section 3(8) in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate _____ of value of supply to the CNG consumers:

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- a) 14%
b) 19%
c) 17%
d) 15%
14. According to Section 3(9) sales tax will be charged from retailers (other than those falling under Tier 1) through their monthly electricity bills @ _____ and _____ if their electricity where the monthly bill amount does not exceed rupees twenty thousand.
- a) 5% and 7.5%
b) 5% and 8%
c) 1% and 5%
d) 5% and 6%
15. According to Section 3B, the treatment of excess sales tax collected will be that of:
- a) Sales tax
b) Levy
c) Extra tax
d) Arrears
16. According to Section 3(3B) collection of excess sales tax will be:
- a) Adjustable
b) Refundable
c) Transferrable
d) Non-refundable

Zero Rating

17. According to Section 4 _____ of goods shall be charged to tax at the rate of zero per cent:
- a) Import
b) Export
c) Sale
d) supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan

18. _____ Schedule items shall be charged to tax at the rate of zero percent:
- a) 3rd
b) 4th
c) 5th
d) 6th

19. Zero rating shall apply in respect of a supply of goods which :
- a) Are exported, but have been or are intended to be re-imported into Pakistan; or
b) have been entered for export under Section 131 of the Customs Act, 1969 (IV of 1969), but are not exported
c) Have been specified in the Second Schedule.
d) have been exported to a country specified by the Federal Government, by Notification in the official Gazette
20. Zero rating under Section 4 is also available in the case such other goods as may be specified by the Federal Government for
- a) National security
b) Natural disaster
c) Food security
d) Implementation of bilateral agreement
e) All of above

Change of Rate of Tax and Effect Thereof

21. According to Section 5, if there is a change in rate of tax:
- a) a taxable supply made by a person shall be charged to tax at such rate as is in force at the time of supply

- b) a taxable supply made by a registered person shall be charged to tax at such rate as is in force at the time of supply
- c) a taxable supply made by a blacklisted person shall be charged to tax at such rate as is in force at the time of supply
- d) a taxable supply made by an unregistered person shall be charged to tax at such rate as is in force at the time of supply
22. According to Section 5, if there is a change in rate of tax, imported goods shall be charged to "tax at such rate as" is in force in case the goods are entered for home consumption:
- a) on the date on a goods declaration is presented under Section 69 of the Customs Act, 1969 (IV of 1969)
b) on the date on a goods declaration is presented under Section 79 of the Customs Act, 1969 (IV of 1969)
c) on the date on a goods declaration is presented under Section 89 of the Customs Act, 1969 (IV of 1969)
d) on the date on a goods declaration is presented under Section 99 of the Customs Act, 1969 (IV of 1969)
23. According to Section 5, if there is a change in rate of tax, imported goods shall be charged to "tax at such rate as" is in force in case the goods are cleared from warehouse,
- a) on the date on which a goods declaration for clearance of such goods is presented under Section 84 of the Customs Act, 1969 (IV of 1969)
b) on the date on which a goods declaration for clearance of such goods is presented under Section 94 of the Customs Act, 1969 (IV of 1969)
c) on the date on which a goods declaration for clearance of such goods is presented under Section 104 of the Customs Act, 1969 (IV of 1969)
d) on the date on which a goods declaration for clearance of such goods is presented under Section 114 of the Customs Act, 1969 (IV of 1969)
24. According to Section 5, if there is a change in rate of tax, imported goods shall be charged to "tax at such rate as" is in force in case the goods declaration is presented in advance of the arrival of the conveyance by which the goods are imported:
- a) the tax shall be charged as is in force on the due date on which the manifest of the conveyance is delivered
b) the tax shall be charged as is in force on the back date on which the manifest of the conveyance is delivered
c) the tax shall be charged as is in force on the earlier date on which the manifest of the conveyance is delivered

d) the tax shall be charged as is in force on the date on which the manifest of the conveyance is delivered

25. According to Section 5, if there is a change in rate of tax, if the tax is not paid within seven days of the of the goods declaration under Section 104 of the Customs Act, the tax shall be charged at the rate as is in force on the date:

- on which tax is actually paid
- on which goods declaration is made
- on which conveyance arrives
- on which the rate was not changed

Time and Manner of Payment

26. According to Section 6, the tax in respect of goods imported into Pakistan shall be charged and paid in the same manner and at the same time as if it were:

- a sales tax payable under the Customs Act, 1969
- a responsibility of customs payable under the Customs Act, 1969
- a duty of customs payable under the Customs Act, 1969
- an arrears of customs payable under the Customs Act, 1969

27. According to Section 6, the tax in respect of taxable supplies made during a tax period:

- shall be paid by the withholding agent
- shall be paid by the listed person

c) shall be paid by the registered person

d) shall be paid by the unregistered person

And the tax due on taxable supplies shall be paid by the following mode:

- Through Cash
- Through Cheque
- Through deposit in a designated bank
- By hand

Determination of Tax Liability

28. According to Section 7, a registered person can determine its tax liability in respect of taxable supplies made during a tax period, by:

- deducting Output tax to be paid from the Input tax payable, excluding the amount of further tax under sub-Section (1A) of Section 3
- deducting Input tax to be paid from the Output tax payable, excluding the amount of further tax under sub-Section (1A) of Section 3
- deducting Output tax to be paid from the Input tax payable, including the amount of further tax under sub-Section (1A) of Section 3
- deducting Input tax to be paid from the Output tax payable, including the amount of further tax under sub-Section (1A) of Section 3

29. According to Section 7, a registered person shall not be entitled to deduct input tax from output tax if the tax invoice

contains any of the following except:

- Name
- STRN
- Date of birth
- Supplier has paid tax on supply made by him as indicated in his return

30. According to Section 7, a registered person shall not be entitled to deduct input tax from output tax in case of goods imported into Pakistan if:

- he holds bill of entry
- goods declaration is in his name and showing his sales tax registration number
- Un-cleared goods declaration by the customs u/s 79
- goods declaration not in his name and not showing his sales tax registration number

31. According to Section 7, a registered person shall not be entitled to deduct input tax from output tax in case of goods purchased in auction:

- Unpaid Treasury Challan
- Sales tax is paid
- Challan is bearing Name and Registration Number
- Proof of payment of Sales Tax in Bank

Tax Credit Not Allowed

32. According to Section 8, reclaim or deduction of Input tax is only allowed for taxable supplies made or to be made in case of:

- Un-registered person
- Registered person
- Blacklisted person
- Suspended person

33. According to Section 8(2), if a person deals in taxable and non-taxable supplies then he can reclaim only such proportion of the input tax as is attributable to:

- Exempt supplies
- Zero rated supplies
- Taxable supplies
- Non-taxable supplies

34. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:

- the goods or services used for the purpose of taxable supplies made
- the goods or services used for any purpose other than for taxable supplies made 8(1)(f)
- the goods or services used for the purpose of exempt supplies made
- the goods or services used for the purpose of zero-rated supplies made

35. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:

- the goods under sub-Section (3) of Section 3
- the goods under sub-Section (4) of Section 3
- the goods under sub-Section (5) of Section 3
- the goods under sub-Section (6) of Section 3

36. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:

- the goods or services in respect of which sales tax has not been deposited in the Government treasury by

- the respective receiver
- b) the goods or services in respect of which sales tax has been deposited in the Government treasury by the respective supplier
 - c) the goods or services in respect of which sales tax has been deposited in the Government treasury by the respective buyer
 - d) the goods or services in respect of which sales tax has not been deposited in the Government treasury by the respective supplier
37. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) purchases, in respect of which a discrepancy is indicated by FASTER
 - b) purchases, in respect of which a discrepancy is indicated by CREST
 - c) purchases, in respect of which a discrepancy is indicated by ITMS
 - d) purchases, in respect of which a discrepancy is indicated by IRIS
38. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) output tax of which is not verifiable in the supply chain
 - b) input tax of which is not verifiable in the supply chain
 - c) input tax of which is verifiable in the supply chain
 - d) output tax of which is verifiable in the purchase chain
39. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) Entertainment invoices
 - b) Fake invoices
 - c) False invoices
 - d) Fabricated invoices
40. According to Section 8 a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) purchases, in case he fails to furnish the information required by the Board through a notification issued under sub-Section (5) of Section 25
 - b) purchases, in case he fails to furnish the information required by the Board through a notification issued under sub-Section (5) of Section 26
 - c) purchases, in case he fails to furnish the information required by the Board through a notification issued under sub-Section (5) of Section 27
 - d) purchases, in case he fails to furnish the information required by the Board through a notification issued under sub-Section (5) of Section 28
41. According to Section 8 a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) goods and services

- acquired for impersonal or business consumption
- b) goods and services acquired for business consumption
 - c) goods and services acquired for personal or non-business consumption
 - d) goods and services acquired for business consumption
42. According to Section 8 (1)(j), a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) services in respect of which input tax adjustment is allowed under the respective provincial sales tax law
 - b) services in respect of which output tax adjustment is barred under the respective provincial sales tax law
 - c) services in respect of which output tax adjustment is not barred under the respective provincial sales tax law
 - d) services in respect of which input tax adjustment is barred under the respective provincial sales tax law
43. According to Section 8 a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) Taxable goods
 - b) Exempt goods
 - c) Goods used or attached to immovable property
 - d) Zero rated goods
44. According to Section 8 a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) Export goods
 - b) Electrical or sanitary fittings in a building
 - c) Zero rated goods
 - d) Taxable goods
45. According to Section 8 a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) vehicles falling in Chapter 68 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles
 - b) vehicles falling in Chapter 78 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles
 - c) vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles
 - d) vehicles falling in Chapter 88 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles
46. According to Section 8, a registered person shall be entitled to reclaim or deduct input tax paid on:
- a) electrical and gas appliances,
 - b) furniture furnishings, food, beverages
 - c) office equipment
 - d) Goods acquired for sale
47. According to Section 8, a registered person shall not be entitled to reclaim or deduct input tax paid on:
- a) import or purchase of agricultural machinery or

- Jobs Test Preparation subject to equipment sales tax at the rate of 6% under Eighth Schedule to this Act
- b) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 7% under Eighth Schedule to this Act
 - c) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 7% under Third Schedule to this Act
 - d) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 6% under Seventh Schedule to this Act

48. According to Section 8A "Joint and several liability of registered persons in supply chain wheretax unpaid" responsibility of unpaid tax shall lie on:

- a) Suspecting person and supplier
- b) The Department
- c) Supplier
- d) Suspecting person

49. According to Section 8A "Joint and several liability of registered persons in supply chain wheretax unpaid" the burden to prove that tax has been unpaid or could go unpaid shall fall on:

- a) Suspecting person and person making the taxable supply
- b) Department
- c) Person making the taxable supply
- d) Suspecting person

50. According to Section 8B, a registered person shall not be

allowed to adjust input tax in excess of _____ of the output tax for that tax period:

- a) 100%
- b) 95%
- c) 90%
- d) 85%

51. According to Section 8B, the restriction on the adjustment of input tax in excess of 90% _____ of the output tax, shall not apply in case of _____:

- a) Raw material
- b) Fixed assets or Capital goods
- c) Consumable items
- d) Fixed assets or Capital goods

52. Subject to subsection 1 of 8B, a registered person may:

- a) Be denied adjustment of input tax
- b) Be denied refund of input tax
- c) Be allowed adjustment or refund of input tax not allowed u/s 8B (1)
- d) Be not allowed adjustment

53. The adjustment or refund of input tax mentioned in MCQ 117, if any, shall be made on yearly basis in the _____ month following the end of the financial year of the registered person:

- a) First
- b) Second
- c) Third
- d) Fourth

Debit & Credit Note

54. According to Section 9, Debit and Credit note are issued where a registered person has issued a tax invoice in respect of a supply made by him, and is related to all

of the following except:

- a) Change in the nature of Supply
- b) Cancellation or return of Supply
- c) Change in the value of the supply
- d) Change in category of supply

55. According to Section 9, Debit and Credit note are issued where a registered person has issued atax invoice in respect of a supply made by him, only adjustment against _____ may be allowed in the return:

- a) Income tax
- b) Custom Duty
- c) Input tax
- d) Output tax

Refund of Input Tax (Section 10)

56. According to Section 10, refund of input tax is only made in case of _____ purchases made by a registered person:

- a) Refundable
- b) Taxable
- c) Exempt
- d) Dutiable

57. Refund of input tax According to Section 10 is only allowed in the case of taxable purchases minus _____ made during that tax period.

- a) Exempt supplies
- b) Imports
- c) Production
- d) zero rated local supplies or export

58. According to Section 10(1) Refund of Input Tax, the excess amount of input tax shall be refunded to the registered person not later than _____ of filing of refund claim.

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- a) 35 days
- b) 45 days
- c) 55 days
- d) 65 days

59. According to Section 10 Refund of Input Tax, in case of excess input tax against supplies other than zero-rated or exports such excess input tax may:

- a) be carried forward to the next six months
- b) not be carried forward to the next tax period
- c) be carried forward to the next tax period
- d) not be carried forward to the next tax period

60. According to Section 10 Refund of Input Tax, input tax as is not adjustable according to Section 8B(1) shall be treated as:

- a) shall be treated as input tax for the next period
- b) shall be treated as exempt tax for that period
- c) shall be treated as input tax for that period
- d) shall be treated as further tax for that period

61. According to proviso to Section 10(1), refund of input tax against _____ shall be paid at _____

- a) Exports, Refund
- b) Exports, Imports
- c) Exports, supplies
- d) Exports, fixed rates

62. According to Section 10(2) Refund of Input Tax, If a registered person is liable to pay any tax, default surcharge or penalty payable under any law administered by the Board:

- a) the refund of input tax shall be made after adjustment of unpaid

- Jobs Test Preparation
- outstanding amount of tax
- b) the refund of input tax shall not be made after adjustment of outstanding amount of income tax
- c) the refund of output tax shall be made after adjustment of unpaid outstanding amount of tax
- d) the refund of input tax shall be made after adjustment of advance tax
63. According to Section 10(3), where there is reason to believe that a person has claimed input tax credit or refund which was not admissible to him, the proceedings shall be completed within _____ days:
- a) 40
b) 50
c) 60
d) 120
64. According to Section 10(3) Refund of Input Tax, for the purposes of enquiry or audit or investigation regarding admissibility of the refund claim, the period of _____ may be extended up to _____ by an officer not below the rank of an Additional Commissioner Inland Revenue:
- a) 70 days, 120 days
b) 60 days, 120 days
c) 50 days, 120 days
d) 40 days, 120 days
65. According to Section 10(3), where a person has claimed input tax credit not admissible to him, the Board may for reasons to be recorded in writing, extend the period which shall in no case exceed _____ months. _____
- a) Seven

- b) Nine
c) Eleven
d) Twelve
- Assessment of Tax**
66. According to Section 11(1), where a person fails to file a tax return by the due date, the amount of tax not paid shall be recovered only if the officer issue _____ and make an order of assessment of tax.
- a) Notice
b) Order
c) Show-cause
d) Warning
67. According to Section 11(1), where person short paid or less paid than the amount actually payable, the amount of tax not paid shall be recovered after _____.
- a) An order for assessment of tax
b) Show Cause Notice
c) Personal Hearing
d) Bank Attachment
68. According to Section 11(1), where a person fails to file a tax return by the due date, then penalty and default surcharge shall be imposed under sections _____.
- a) 37, 38
b) 33, 34
c) 25, 11
d) 73, 45
69. According to Section 11(1), where a person is required to file a tax return, files the return after the due date, the notice to show cause and the order of assessment shall abate if _____.
- a) The Board pardons
b) Tax is paid

- c) Tax and penalty is paid.
d) Due tax, penalty and default surcharge is paid.
70. According to Section 11(2), where a person has not paid the tax due on supplies made by him following is not required by the Officer of Inland Revenue:
- a) Show-cause
b) Make an order for Assessment
c) Impose penalty and default surcharge in accordance with Section 33 and 34
d) Register FIR of Tax Fraud.
71. According to Section 11(2), where a person has made short payment of due tax, the Officer of Inland Revenue will _____.
- a) Open his audit proceedings
b) Issue show-cause
c) Register and FIR
d) Report to the Commissioner
72. According to Section 11(2), where a person has claimed input tax credit which is not admissible under this Act, the Officer of Inland Revenue will not _____.
- a) Show-cause
b) Make an order for Assessment
c) Impose penalty and default surcharge in accordance with Section 33 and 34
d) Register FIR of Tax Fraud.
73. According to Section 11(2), where a person has claimed refund which is not admissible under this Act, the Officer of Inland Revenue will not _____.

- Jobs Test Preparation
- a) Show-cause
b) Make an order for Assessment
c) Impose penalty and default surcharge in accordance with Section 33 and 34
d) Register FIR of Tax Fraud
74. According to Section 11(3), _____ will be served to proceed against non-levy of tax, shortlevy of tax, erroneous refund:
- a) Caution
b) Warning
c) Show cause
d) Intimation
75. According to Section 11(4), where a tax or charge has not been levied under this sub-Section the amount of tax shall be recovered as _____ of the value of supply:
- a) Input
b) Percentage
c) Exemption
d) Tax fraction
76. According to Section 11(4A), where a person fails to _____ tax, or fails to deposit _____ tax in the prescribed manner, an officer of Inland Revenue shall after a notice to such person to show cause, determine the amount in default:
- a) Tax, withheld
b) Exempt, withheld
c) Withhold, withheld
d) Credit, withheld
77. According to Section 11(5), no order shall be made by an officer of Inland Revenue unless a notice to show cause is given within _____, of the relevant date, to the person in default:

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- a) 4 years
 - b) 5 years
 - c) 6 years
 - d) 7 years
- 78 According to Section 11(5), no order shall be made by an officer of Inland Revenue unless, a notice to show cause is given

- a) specifying the grounds
- b) specifying the objections
- c) specifying the amount
- d) specifying the tax period.

- 79 According to Section 11(5), an order under Section 11 can be made within _____ days of issuance of show-cause notice or within such period as extended by the Commissioner.

- a) 100
- b) 110
- c) 120
- d) 130

- 80 According to Section 11(5), an extension in the time period for issuance of order under Section 11 can be made within _____ of issuance of show-cause notice by the Commissioner which will not exceed _____.

- a) 120, 95
- b) 140, 90
- c) 120, 90
- d) 110, 80

- 81 The proceedings under section 11 can only be adjourned for a maximum of _____ days:

- a) 50
- b) 120
- c) 60
- d) 90

82. Where a registered person pays the amount of tax less than the tax due as indicated in his

return, the short paid amount along with the default surcharge shall be recovered _____

- a) After issuing a show-cause notice
- b) Without issuing a show-cause notice
- c) After issuing him warning
- d) After intimation to the taxpayer

ANSWERS

1	B	21	B	41	C	61	D	81	D
2	B	22	B	42	D	62	A	82	A
3	B	23	C	43	C	63	C		
4	C	24	D	44	B	64	B		
5	C	25	A	45	C	65	B		
6	D	26	C	46	A	66	C		
7	C	27	C	47	B	67	A		
8	D	28	B	48	A	68	B		
9	D	29	C	49	B	69	D		
10	D	30	D	50	C	70	D		
11	C	31	C	51	D	71	B		
12	B	32	B	52	C	72	D		
13	C	33	C	53	B	73	A		
14	A	34	A	54	D	74	C		
15	D	35	C	55	D	75	D		
16	D	36	B	56	B	76	C		
17	B	37	B	57	D	77	B		
18	C	38	B	58	B	78	A		
19	D	39	B	59	C	79	C		
20	D	40	B	60	C	80	C		

EXEMPTION

1. According to Section 13(1), supply of goods or import of goods specified in the _____ schedule shall, be exempt from sales tax:
- a) 9th
 - b) 4th
 - c) 6th
 - d) 2nd

Registration & Deregistration

2. According to Section 14(1), every person who is engaged in making _____ supplies, including _____ supplies, if not already registered is required to be registered:
- a) Taxable, zero-rated
 - b) local, exempt
 - c) Exempt, taxable
 - d) Imported, exempt
3. According to Section 14(1), any one of the following is not required to be registered under the sales tax act
- a) a manufacturer who is not running a cottage industry;
 - b) a retailer who is liable to pay sales tax under the Act or rules made thereunder
 - c) an importer
 - d) a consumer
4. According to Section 14(1), one of the following is required to be registered under the sales tax act:
- a) Person Paying Income Tax
 - b) Salaried person
 - c) An exporter who intends to obtain sales tax refund against his zero-rated supplies
 - d) Person registered in land revenue department

5. According to Section 14(1), any one of the following is not required to be registered under the sales tax act:
- a) a wholesaler, dealer or distributor, and
 - b) a person who is required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act.
 - c) an importer
 - d) a barber
6. According to Section 14(2), a person not engaged in making of taxable supplies in Pakistan, if required can be registered for making:
- a) Exempt supplies
 - b) Free supplies
 - c) Imports and exports
 - d) Large purchases
7. If a person is found to have issued fake invoices or has otherwise committed tax fraud then his registration can be:
- a) Blacklisted or suspended
 - b) Endorsed
 - c) Activated
 - d) Transferred
8. During the period of _____ of registration, the invoices issued by the person shall not be entertained for the purposes of sales tax refund or input tax credit:
- a) Suspicion
 - b) Suspension
 - c) Activation
 - d) Restoration
9. If a person is blacklisted, the refund or input tax credit

claimed against the invoices issued by him, whether prior or after such blacklisting, shall be _____:

- Issued
- Entertained
- Rejected
- Deferred

Records

10. A registered person shall maintain and keep at his business premises or registered office in English or Urdu language the following records except:

- Records of Taxable supplies
- Records of Imported Supplies
- Record of his daily activities.
- Supply of zero rated and exempt

11. A registered person shall maintain records of supplies made and all documents except:

- name and address of the person to whom supplies were made
- amount of the tax charged
- Recording of Videos in DVR
- Description, quantity and value of goods

12. The record of goods imported shall show the following except:

- Description
- Authorization for import.
- Quantity and value of goods
- The amount of tax paid on imports

13. According to Section 22(1A), a

registered person is required to declare and use only as many numbers of business bank accounts as may be specified by the Board and payment of tax can only be made from the _____ accounts:

- Specified
- Others
- Relative
- Friend's

14. The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984 (XLVII of 1984), shall be required to submit a copy of the _____, along with a certificate by the auditors certifying the payment of due tax by the registered person

- Annual audited accounts
- Annual Accounts
- Annual Account Statements
- Annual Statements

15. A class of taxable persons registered under the Sales Tax Act may be ordered to use _____ cash registers as are approved by the Board.

- Manual fiscal
- PIFRA fiscal
- Electronic fiscal
- Single Entry fiscal

Tax Invoices

16. A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars in Urdu or English except:-

- name, address and registration number of the supplier

- name, address and registration number of the recipient
- date of issue of invoice
- date of submission of return

17. A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars in Urdu or English except:-

- description and quantity of goods
- value exclusive of tax
- value of utility bills
- amount of sales tax; and

18. A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing _____.

- Due Tax
- Outstanding Tax
- Surcharge
- Value of tax

19. A registered person making a taxable supply shall issue only _____ tax invoice at the time of supply of goods.

- Two
- One
- Twelve
- Eight

20. Only a _____ person or a person paying _____ tax can issue a tax invoice:

- Filer, Income Tax
- Seller, Sales Tax
- Authorized, Commission
- Registered, Retail

21. As per section 24, a person, who is required to maintain any record or documents under this Act, shall

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retain the record and documents for a period of _____ years after the end of the tax period to which such record or documents relate:

- 3
- 6
- 4
- 2

22. A person is required to maintain a record of all except:

- Till final decision in any proceedings
- proceedings for assessment.
- rent deed of American apartment
- appeal

23. A person is required to maintain a record for all of the following except:

- revision
- Assessment
- Lawsuits
- advertisement

24. A person, is required to maintain a record of any proceedings before any one of the following only:

- General Visits
- Political Meetings
- Chamber Meetings
- Sales Proceedings

Access to Records

Following documents may be requisitioned by the officer of inland revenue from a taxpayer.

A. Importer

- Bills of Entry
- Input Register
- Sales Invoice
- Stock Register
- Monthly Returns
- Bank Statements

- B. Manufacturer
- Purpose Invoice
 - Bills of Entry
 - Input Register
 - Sales Invoice
 - Output Register
 - Stock Register
 - Monthly Returns
 - Monthly Production Reports
 - Raw Material Consumption Certificates
 - Bank Statement
- C. Commercial Exporter
- Purchase Invoice
 - Input Register
 - Sales Invoice
 - Output Register
 - Stock Register
 - Monthly Returns
 - Analysis Certificates
 - Bank Credit Advice
 - Bank Statements
 - Shipping Bills
- D. Manufacturer cum Exporters
- Purchase Invoices
 - Bills of Entry
 - Input Register
 - Sales Invoices
 - Output Register
 - Stock Register
 - Monthly Returns
 - Monthly production reports
 - Raw Material Consumption Certificates
 - Analysis Cards
 - Bank Credit Advice
 - Bank Statement
 - Shipping Bill

If any other document is required, the officer can seek the same after permission from the Commissioner Inland Revenue.

25. According to Section 25, a person who is required to maintain any record or documents under this Act shall be required by _____ to allow access.
- Chief Commissioner
 - Assistant Commissioner
 - Deputy Commissioner
 - Commissioner
26. A person who is required to maintain any record or documents under this Act shall maintain all except _____.
- record or documents which pertain to his business
 - record or documents which involves his business
 - record maintained by his employees
 - record maintained by his customers.
27. The officer of Inland Revenue authorized by the Commissioner, on the basis of the record, obtained from the registered person, may _____ in a year, conduct audit:
- Once
 - Twelve Times
 - Six Times
 - Twice
28. According to Section 25, if the Commissioner has information or sufficient evidence showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of Inland Revenue, not below the rank of _____, to conduct an inquiry or investigation under Section 38:
- Auditor
 - Additional Commissioner
 - Inspector Inland Revenue

- d) Assistant Commissioner
29. According to Section 25(3), after completion of Audit under this Section or any other provision of this Act, the officer of Inland Revenue may, after obtaining the registered person's explanation on all the issues raised in the audit shall:
- pass an order under Section (11)
 - pass an order under Section (38)
 - pass an order under Section (25)
 - pass an order under Section (11A)
30. According to Section 25(5), if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge voluntarily, whenever it comes to his notice, before receipt of notice of audit, _____.
- The proceedings will be dropped.
 - No penalty shall be recovered from him
 - The defaults surcharge will not be recovered.
 - No sales tax shall be recovered from him
31. According to Section 25(5), if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge during the audit he may deposit the evaded amount of tax, default surcharge under Section 34, and _____ of the penalty payable under Section 33:
- Half
 - 10%
 - 25%
 - 15%
32. According to Section 25(5), if a registered person deposits the amount of tax short paid or amount of tax evaded along with the default surcharge u/s 34 and full amount of penalty u/s 33 after issuance of show cause notice, _____.
- He will not be audited for next three years.
 - Penalty will be refund
 - the show cause notice shall stand abated.
 - 100% input adjustment will be allowed.
33. According to Section 25A, an _____ of Inland Revenue can draw sample of minimum quantity of any goods or raw materials for examination in order to be able determine their liability to sales tax or for the purpose of establishing their value:
- Auditor
 - Inspector
 - Authorized Officer
 - Assistant Commissioner
34. According to Section 25AA, the Commissioner or an office of Inland Revenue may, in respect of any transaction between persons who are associates, determine the transfer price of _____ between the persons as is necessary to reflect the fair market value of supplies in an arm's length transaction:
- taxable supplies
 - Nontaxable supplies
 - Gift supplies
 - Perished supplies
- Returns**
35. According to Section 26(1), every registered person shall furnish not later than the _____ a true and correct return in the prescribed form:

- a) 31st
 - b) Year End
 - c) Due date
 - d) Last Date
36. According to Section 26(1), the Board may, by notification in the official Gazette, require any person or class of persons to submit return on _____ basis.
- a) Monthly
 - b) Bimonthly
 - c) Yearly
 - d) Quarterly
37. According to Section 26(1), as specified by the Board, following shall not be deemed to be a return for the purpose of sub-Section (1).
- a) filed electronically on the web
 - b) filed on any magnetic media
 - c) filed on any computer readable media
 - d) Filed via courier
38. According to Section 26(1), the Board may make rules for e-intermediaries who will digitize the data of _____ and transmit the same electronically under their digital signatures:
- a) All Below
 - b) electronic returns
 - c) Returns on magnetic media
 - d) Returns on computer readable media.
39. According to Section 26(1), every registered person shall furnish a return and indicate _____
- a) Purchases made during a tax period
 - b) A & C & D
 - c) Supplies made during a tax period,

- d) tax due and paid
40. According to Section 26(1), every registered person shall furnish not later than the due date a true and correct return in the prescribed form to _____
- a) Designated Tax Office
 - b) Designated District Office
 - c) Designated Bank
 - d) Designated Chartered Accountant
41. According to Section 26(3), a registered person subject approval of _____ having jurisdiction, file a revised return to correct any omission or wrong declaration made therein:
- a) Assistant Commissioner
 - b) Deputy Commissioner
 - c) Additional Commissioner
 - d) Commissioner Inland Revenue
42. According to Section 26(3), a registered person after approval can file a revised return within _____ days of the filing of return under sub-Section (1):
- a) 90
 - b) 120
 - c) 3 6 5
 - d) 1 0 0
43. According to Section 26(4), if a registered person wishes to file revised return voluntarily along with deposit of the amount of tax short paid or amount of tax evaded along with default surcharge, any time before receipt of notice of audit, whenever it comes to his notice:
- a) no penalty shall be recovered from him
 - b) no default surcharge shall be recovered from him

- c) no further tax shall be recovered from him
 - d) no return shall be enforced from him
44. According to Section 26(4), in case the registered person wishes to deposit the amount of tax as pointed out by the officer of Inland Revenue during the audit, or at any time before issuance of the show cause notice, he may deposit the evaded amount of tax, default surcharge under Section (34), and _____ of the penalty payable under Section 33 along with the levied return:
- a) 25%
 - b) 50%
 - c) 75%
 - d) 100%
45. According to Section 26(4), in case the registered person wishes to deposit the amount of tax after issuance of show cause notice, he shall deposit the evaded amount of sales tax, default surcharge under Section 34, and _____ amount of leviable penalty under Section 33 along with the revised return and thereafter, the show cause notice, shall stands abated:
- a) 85%
 - b) 90%
 - c) 95%
 - d) 100%
46. According to Section 27, the Commissioner may require following person to furnish a special return in addition to return specified under Section 26:
- a) Any person
 - b) Un-Registered person
 - c) Registered Person
 - d) All of above
47. According to Section 27, the Commissioner may require the

- following person to file a special return:
- a) Anyone on his behalf
 - b) an agent
 - c) trustee
 - d) All of above
48. According to Section 28, if a person applies for de-registration in terms of Section 21, he shall before such de-registration, furnish a _____ return to the Commissioner
- a) Special
 - b) Annual
 - c) Monthly
 - d) Final
49. According to Section 29, a return purporting to be made on behalf of a person _____ shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary:
- a) By his son
 - b) By his manager
 - c) By his lawyer
 - d) By his duly appointed representative
50. According to Section 30, for the purposes of this Act, the Board may, appoint in relation to any area, person or class of persons, any person to be: -
- a) a chief commissioner of Inland Revenue
 - b) a commissioner of Inland Revenue
 - c) a commissioner of Inland Revenue (Appeals)
 - d) All of above.
51. According to Section 32A, the Board may appoint as many special audit panels as may be necessary, comprising two or more members from the following

ANSWERS

1	C	21	B	41	D
2	A	22	C	42	B
3	D	23	D	43	A
4	C	24	D	44	A
5	D	25	D	45	D
6	C	26	D	46	D
7	A	27	A	47	D
8	B	28	D	48	D
9	C	29	A	49	D
10	C	30	B	50	C
11	C	31	C	51	B
12	B	32	C	52	C
13	A	33	C	53	A
14	A	34	A	54	B
15	C	35	C		
16	D	36	D		
17	C	37	D		
18	D	38	A		
19	A	39	B		
20	D	40	C		

- except -
- an officer or officers of Inland Revenue
 - External Auditor of the taxpayer
 - a firm of chartered accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961)
 - a firm of cost and management accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966)
52. According to Section 32A, following cannot be initiated by the special audit panels appointed by the Board:
- Audit of a registered person or persons
 - Audit of refund claims and
 - Income Tax Audit
 - Forensic audit
53. According to Section 32A, each special audit panel shall be headed by a chairman who shall be:
- An officer of Inland Revenue.
 - An officer of FIA
 - An officer of NAB
 - An officer of Anti-corruption
54. According to Section 32A, a special audit panel cannot be conducted in the absence of:
- Member
 - Chairman
 - Lawyer
 - Secretary

OFFENCES & PENALTIES

- Jobs Test Preparation
- According to Section 33, where any person who fails to furnish a return within the due date Such person shall pay a penalty of:
 - 10000 Rs
 - 5000 Rs
 - 50000 Rs
 - 1000 Rs
 - According to Section 33, any person who fails to issue an invoice when required under this Act, such person shall pay a penalty of five thousand rupees or three per cent of the amount of the tax involved, whichever is higher. So if penalty is 5,000/- and percentage of tax is Rs.6000/- amount paid will be:
 - 0
 - 5000
 - 6 0 0 0
 - 10 0 0 0
 - According to Section 34, default surcharge is applicable on a:
 - Non Filer
 - Un-registered person
 - Registered person
 - Filer
 - According to Section 34, default surcharge is not applicable on any one of the following:
 - Tax not paid
 - Part of tax not paid
 - Income Tax
 - Claim of inadmissible credit
 - According to Section 34, default surcharge is not applicable on any one of the following:
 - Incorrect application of zero rating
 - Claim of inadmissible refund
 - Claim of Excise Duty
 - Claim of inadmissible adjustment
 - According to Section 34, the rate of default surcharge shall be:
 - Kibor plus three percent
 - 11%
 - 12
 - 25%
 - According to Section 34, in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of _____ per month, of the amount of tax evaded, till such time the entire liability including the amount of default surcharge is paid:
 - 1%
 - 2%
 - 3%
 - 4%
 - According to Section 34, in case, the default is on account of refund fraudulently claimed, the person who has committed tax fraud shall pay default surcharge at the rate of _____ per month, of refund fraudulently claimed, till such time the entire liability including the amount of default surcharge is paid:
 - 0.1%
 - 2%
 - 33%
 - 4%
 - According to Section 34(2), for the purpose of calculation of default surcharge, in the case of inadmissible input tax credit, the period of default shall be reckoned from the:

- a) date of adjustment of such credit
- b) date of return
- c) date required by CIR
- d) date of choice.

10. According to Section 34(2), for the purpose of calculation of default surcharge, in the case of inadmissible refund, the period of default shall be reckoned from the _____:

- a) Date refund is received
- b) Date refund is accepted
- c) Date refund is rejected
- d) Date mentioned by FASTER

11. According to Section 34(2), in the case of non-payment of tax or part thereof, the period of default shall be reckoned from the _____ day of a month (following the due date of the tax period to which the default relates) to the day preceding the date on which the tax due is actually paid:

- a) 16th
- b) 1st
- c) 30th
- d) 15th

12. According to Section 37, any officer of _____ shall have powers to summon any person whose attendance he considers necessary either to tender evidence or to produce documents or any other thing in any inquiry which such officer is making for any of the purposes of this Act:

- a) Police
- b) Inland Revenue
- c) Custom
- d) NAB

13. According to Section 37A, an officer of Inland Revenue not below the rank of an _____ or

any other officer of equal rank may cause arrest of such person:

- a) Assistant Commissioner of Inland Revenue
- b) Commissioner of Inland Revenue
- c) Additional Commissioner of Inland Revenue
- d) Deputy Commissioner of Inland Revenue

14. According to Section 37A, an Officer of Inland Revenue, on the basis of _____ has reason to believe that any person has committed a tax fraud or any offence warranting prosecution under this Act, may cause arrest of such person:

- a) Post-mortem evidence
- b) Brick evidence
- c) Steel evidence
- d) Material evidence

15. Where any person has committed a tax fraud or any offence warranting prosecution under this Act, the Commissioner may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pay all of the following except:

- a) the amount of tax due
- b) the refund
- c) default surcharge
- d) penalty

16. According to Section 37A, where the person suspected of tax fraud or any offence warranting prosecution under this Act is a company, _____ of that company whom the authorized officer has reason to believe is personally responsible for actions of the company contributing the tax fraud or any offence warranting

prosecution under this Act shall be liable to arrest, provided that any arrest under this sub-Section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Act:

- a) Any Employee
- b) Any Tax Manager
- c) Every Manager
- d) Every director or officer responsible

17. According to Section 37B, When an officer of Inland Revenue authorized in this behalf arrests a person under Section 37A, he shall immediately intimate the fact of the arrest of that person to the:

- a) Chairman FBR
- b) IG Police
- c) District Police
- d) Special Judge

18. According to Section 37B, any person arrested under this Act shall be produced before the Special Judge or, if there is no Special Judge within a reasonable distance, to the nearest Judicial Magistrate, within _____ of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate:

- a) 24 hours
- b) 48 hours
- c) 72 hours
- d) 7 days

19. When any person is produced before the Special Judge, he may, on the request of such person, after perusing the record, if any and after giving the prosecution an opportunity of being heard, admit him to

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_____ of his executing a bond, with or without sureties, or refuse to admit him to _____ and direct his detention at such place as he deems fit:

- a) Bail
- b) His Court
- c) Other Court
- d) Tax office

20. The Special Judge can cancel the bail of any person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall _____ such person, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purposes of this Act:

- a) Call to court
- b) Order to hand over
- c) Pardon
- d) Afford an opportunity of being heard

21. According to Section 37C, no person shall be appointed as a Special Judge unless he is or has been a _____ Judge:

- a) Civil
- b) Additional
- c) Banking Court
- d) Sessions

22. According to Section 37D, a Special Judge may, within the limits of his jurisdiction _____ take _____ of any offence punishable under this Act:

- a) Observation
- b) Examination
- c) Report
- d) Cognizance

23. According to Section 37D, a Special Judge may take cognizance of following offences punishable under this Act:

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- a) Upon a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government
- b) Upon receiving a complaint or information of facts constituting such offence made or communicated by any person
- c) All options
- d) Upon his own knowledge acquired during any proceeding before him under this act or under any other law for the time being in force
24. According to Section 37E, no court other than the _____ having jurisdiction, shall try an offence punishable under this Act.
- a) Session Court
- b) Civil Court
- c) High Court
- d) Special Judge
25. Any person, including the Federal Government, the Board, the Commissioner or Director of Intelligence and Investigation or any other officer authorized in this behalf by the Board, aggrieved by any order passed or decision made by a Special Judge under this Act or under the Code of Criminal Procedure, 1898 (Act V of 1898), may, within _____ days from the date of the order or decision, prefer an appeal to the High Court:
- a) 10
- b) 30
- c) 60
- d) 100
26. According to Section 38, an Officer of Inland revenue is allowed to have free access to any one of the following except
- a) Business or manufacturing premises,
- b) Registered office
- c) Any place where any stocks, business records are kept
- d) Personal Record of the taxpayer
27. According to Section 38, only one of the following of these shall not be able supply requisite information and render necessary assistance to the authorized officer in the course of inquiry or investigation under this Section
- a) Department of direct and indirect taxes
- b) Any other Government department
- c) Local autonomous bodies, corporations or such other institutions
- d) Foreign Government
28. According to Section 38A, the _____ may, by notice in writing, require any person, including a banking company, to furnish such information or such statement in connection with any investigation or inquiry in cases of tax fraud, as may be specified in such notice.
- a) Commissioner
- b) Auditor
- c) Inspector Inland Revenue
- d) Supervisor
29. Where any officer of Inland Revenue has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are

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- kept in any place, he may after obtaining a _____ from the magistrate, enter that place and cause a search to be made at any time
- a) Authorization
- b) Order
- c) Warrant
- d) Notice
30. According to Section 40C, any registered person or class of registered persons or any goods or class of goods, specified by the Board, in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through _____ or other means as may be prescribed:
- a) Electronic
- b) Magnetic
- c) Geo-Sensing
- d) Virtual
31. For the purpose of monitoring by the Sales tax authorities According to Section 40C, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing all of the following except
- a) stamp
- b) Expiry date
- c) banderole stickers
- d) labels or barcodes
32. According to Section 45A(3), No order shall be made under this Section after the expiry of _____ years from the date of original decision or order of subordinate officer.
- a) 2
- b) 4
- c) 5
- d) 6
33. According to Section 45A, the _____ may, suo moto (on its own accord), call for and examine the record of any proceeding under this Act or the rules made thereunder for the purpose of satisfying himself as to the legality or propriety of any decision or order passed by an officer of Inland Revenue subordinate to him, and pass such order as he may deem fit.
- a) Commissioner
- b) Auditor
- c) Inspector Inland Revenue
- d) Chief Commissioner
34. According to Section 45B, any person, other than the Sales Tax Department (itself), aggrieved by any decision or order passed under Sections 10, 11, 25, 36, or 66, by an officer of Inland Revenue may, within _____ days of the date of receipt of such decision or order, prefer appeal to the Commissioner Inland Revenue (Appeals):
- a) 15
- b) 20
- c) 30
- d) 40
35. According to Section 45B, an appeal preferred after the expiry of _____ days may be admitted by the Commissioner Inland Revenue (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period
- a) 15
- b) 20
- c) 30
- d) 40
36. According to Section 45B, the Commissioner Appeals Inland

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Revenue may stay recovery proceeding for a period not exceeding _____ days in aggregate:

- a) 60
 - b) 90
 - c) 120
 - d) 30
37. According to Section 45B, the order by Commissioner Appeals shall be passed not later than _____ days from the date of filing of appeal. This period may be extended not later than 30 days.
- a) 30
 - b) 90
 - c) 120
 - d) 365
38. According to Section 45B, for reasons to be recorded in writing the Commissioner Appeals may extend the date of order but the period in no case shall exceed _____:
- a) 05
 - b) 10
 - c) 60
 - d) 200
39. In deciding an appeal, the Commissioner of Inland Revenue (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for:
- a) Re-consideration
 - b) Re-appearance
 - c) De-novo consideration
 - d) Deferment
40. According to Section 46, any person including an officer of Inland Revenue not below the rank of an Additional Commissioner, aggrieved by any order passed by _____ may within sixty days of the receipt of such

decision or order, may prefer appeal to the Appellate Tribunal.

- a) the Commissioner Inland Revenue through adjudication or under any of the provisions of this Act or rules made thereunder
 - b) the Commissioner Inland Revenue (Appeals) under Section 45B
 - c) the Board under Section 45A
 - d) the Senator
41. According to Section 47, within _____ days of the communication of the order of the Appellate Tribunal, the aggrieved person or any officer of Inland Revenue not below the rank of an Additional Commissioner, authorized by the Commissioner may prefer an application in the prescribed form along with a statement of the case to the High Court:
- a) 90
 - b) 120
 - c) 3 6 5
 - d) 3 0
42. According to Section 47, the Reference to High Court will only entertain issues in which a question of _____ may arise:
- a) Calculation
 - b) Law
 - c) Error
 - d) Revision
43. According to Section 47, the High Court can order the stoppage of recovery in a case for a period not exceeding _____ months _____:
- a) 6
 - b) 7

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ANSWERS

1	A	21	D	41	A
2	C	22	D	42	B
3	C	23	C	43	A
4	C	24	D	44	B
5	C	25	C	45	C
6	C	26	D	46	D
7	B	27	D		
8	B	28	A		
9	A	29	C		
10	A	30	A		
11	A	31	B		
12	B	32	C		
13	A	33	A		
14	D	34	C		
15	B	35	C		
16	D	36	D		
17	D	37	C		
18	A	38	C		
19	A	39	C		
20	D	40	B		

- c) 9
 - d) 12
44. According to Section 47A, only a _____ person can apply for alternative dispute resolution:
- a) Artificial Person
 - b) Registered Person
 - c) Natural Person
 - d) Disabled
45. According to Section 47A, the Board may make appointment of a committee for the resolution of the following issues except:
- a) which is under litigation in any Court of Law or an Appellate authority,
 - b) cases where first information reports (FIRs) have been lodged under the Act and criminal proceedings initiated
 - c) Dispute involving properties
 - d) where interpretation of question of law having larger revenue impact in the opinion of the Federal Board of Revenue is involved
46. According to Section 47A, for the purpose of alternate dispute resolution, the Board may, after examination of the application of a registered person, appoint a committee within _____ days of receipt of such application in the Board:
- a) 7
 - b) 15
 - c) 30
 - d) 60

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RECOVERY

1. According to Section 48, where any amount of tax is due from any person, the officer of _____ may proceed to recover the tax:
 - a) FIA
 - b) Inland Revenue
 - c) NAB
 - d) State Bank
2. According to Section 48, for the purpose of recovery of tax, all of the following can be contacted except:
 - a) Income tax
 - b) Customs
 - c) Central Excise Department
 - d) Prime Minister House
3. According to Section 48, the officer of Inland Revenue may require by a notice in writing any person to effect recovery except by one of the following methods:
 - a) stop clearance of imported goods
 - b) stop clearance of manufactured goods
 - c) Ask government to write off
 - d) attach bank accounts
4. According to Section 48, an officer of Inland revenue may effect recovery by the following means except:
 - a) stop removal of any goods from the business premises
 - b) seal the business premises
 - c) attach and sell or sell without attachment any movable or immovable property of the registered person from whom tax is due
 - d) buying all the taxable goods of the defaulter
5. According to Section 48(1A), if recovery of arrear cannot be made, it can be _____ by an officer authorized by the Board:
 - a) Refund
 - b) Write-off
 - c) Defer
 - d) Pardon
6. According to Section 49, in case of termination of taxable activity, the possession of taxable goods by the registered person shall be deemed to be a _____ and the registered person shall be required to account for and pay the tax on the taxable goods held by him:
 - a) Exempt supply
 - b) Zero rated supply
 - c) Returned supply
 - d) Taxable supply
7. According to Section 49, in case of termination of a part of taxable activity, the possession of part of taxable goods by the registered person shall be deemed to be a _____ and the registered person shall be required to account for and pay the tax on the taxable goods held by him:
 - a) Exempt supply
 - b) Zero rated supply
 - c) Taxable supply
 - d) Returned supply
8. According to Section 49, in case sale or transfer of ownership _____ to a non-registered person, the possession of taxable goods or part thereof by the registered person shall be deemed to be a taxable supply and the registered person shall be required to account for and pay the tax on the

9. According to Section 50A, the Board may prescribe the use of _____ for carrying out receipt of applications for registration, returns and such other declarations:
 - a) Computerized system
 - b) Digital System
 - c) PRAL
 - d) IRIS
10. According to Section 52A, the Board may, appoint a person to electronically file return and such other documents electronically, as may be prescribed from time to time on behalf of a person registered under Section 14 and such person will be called _____.
 - a) Filer
 - b) Agent
 - c) E-intermediary
 - d) Third Party
11. According to Section 53, the tax liability of a deceased registered person under the Act shall be the first charge on his estate in the hands of his _____.
 - a) Friends
 - b) Son
 - c) Successors
 - d) Agent
12. According to Section 54, if a registered person is declared bankrupt, the tax liability under this Act shall pass on to the _____ if it continues to operate the business.
 - a) estate in bankruptcy
 - b) estate in dispute
 - c) estate in crisis
 - d) estate in pledge
13. According to Section 55, if tax liability is incurred by an estate in bankruptcy, the tax is deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid _____.
 - a) Bank loans
 - b) Before the claims preferred by other creditors are settled
 - c) Debts
 - d) Personal Loans
14. According to Section 56, any notice, order or requisition required to be served on a resident individual, other than in a representative capacity for the purposes of this Act shall be treated as properly served on the individual if:
 - a) Served personally on a resident individual
 - b) Served on friend
 - c) Served on business premises
 - d) Served through email
15. According to Section 56, a notice shall not be considered to be served if:
 - a) personally served on the individual or, in the case of an individual under a legal disability or a non-residents individual the representative of the individual;
 - b) Served on the family members
 - c) by register post or courier service or to the individual's usual or last known address in Pakistan
 - d) served on the individual in the manner prescribed for service of a summons

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under the code of civil
procedure, 1908 (Act V of
1908)

16. According to Section 56, where an association of persons is dissolved, any notice, order or requisition required to be served under this Act, on the association or a member of the association may be served on any person who was the _____ of the association immediately before such dissolution:
- Area In Charge
 - President of Union
 - Neighbor
 - Principal officer or a member
17. According to Section 56, if a business is discontinued, order is required to be served on the person discontinuing the business _____:
- personally
 - Through agent
 - Through courier
 - Through email
18. According to Section 56, if a business is discontinued, order is required to be served on the _____ person discontinuing the business:
- Son
 - Daughter
 - Father
 - Authorized representative
19. According to Section 57, a rectification order cannot be passed after a period of _____ years.
- 1
 - 5
 - 6
 - 4
20. According to Section 57, except _____ following can rectify mistake in the order passed by them:
- Officer of Inland Revenue
 - Special Judge
 - Commissioner Inland Revenue
 - Commissioner Inland Revenue (Appeals)
21. According to Section 57, only one of the following can rectify mistake in the order passed by it:
- Officer
 - Special Judge
 - Appellate Tribunal Inland Revenue
 - High Court
22. According to Section 58A, the expression "representative" of a registered person where the person is an individual under a legal disability, may be any one of the following except:
- the guardian
 - the manager who receives on behalf of the person,
 - the guardian or manager who is entitled to receive income on behalf
 - Tax officer
23. According to Section 58A, the expression "representative" of a registered person where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), is any one of the following except:
- a director or a manager
 - Tax officer
 - secretary or agent or accountant
 - any similar officer of the company

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registered person, where the
person is the Federal
Government, is any one of the
following only:
24. According to Section 58A, the expression "representative" of a registered person where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, is any one of the following only:
- Any Commissioner
 - Any trust manager
 - Any tax officers
 - Any trustee of the trust
25. According to Section 58A, the expression "representative" of a registered person where the person is a Provincial Government, or local authority in Pakistan, is any one of the following only:
- Advocate General
 - Chief Justice
 - Prosecutor General
 - An accounting officer responsible for making payments
26. According to Section 58A, the expression "representative" of a registered person where the person is an association of persons, is any of the following except:
- A Director
 - A manager
 - An associate
 - secretary or agent
27. According to Section 58A, the expression "representative" of a registered person, in the case of a firm, is any one of the following only:
- Any Director
 - Any Manager
 - Any Partner in the firm
 - Any Secretary
28. According to Section 58A, the expression "representative" of a
29. According to Section 58A, the expression "representative" of a registered person, where the person is a public international organization, or a foreign government or political subdivision of a foreign government, is any one of the following only:
- Attorney General
 - Chief Justice
 - Prosecutor General
 - An accounting officer responsible for making payment
30. According to Section 58A, where a person is a non-resident person, the representative of the persons for the purpose of this Act for a tax year shall be any one of the following person in Pakistan except:
- who is employed by, or on behalf of, the non-resident person
 - Foreign secretary
 - who has any business connection with the non-resident person
 - from or through whom the non-resident person is in receipt of any income, whether directly or indirectly
31. According to Section 58A, where a person is a non-resident person, the representative of the persons for the purpose of this

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Act for a tax year shall be any one of the following person in Pakistan except

- a) who holds, or controls the receipt or disposal of any money belonging to the non-resident person
 - b) who is the trustee of the non-resident person
 - c) An officer of Trust department
 - d) who is declared by the Commissioner by an order in writing to be the representative of the non-resident person
32. According to Section 58A, no person shall be declared as the representative of a non-resident person unless the person has been given _____ by the Commissioner.
- a) A notice
 - b) An intimation
 - c) An opportunity of being heard
 - d) A warning
33. According to Section 58B, _____ of a person shall be responsible for performing any duties or obligations imposed by or under this Act on the person, including the payment of tax:
- a) Every representative
 - b) Every agent
 - c) Every relative
 - d) Every friend
34. According to Section 58B, any tax that is payable by a representative of a registered person, shall be recoverable from the representative only to the extent of any assets of the registered person that are in the _____ of the representative:
- a) Vicinity
 - b) In the accounts books

- c) Possession or under the control
 - d) Custody of wife of
35. According to Section 58B, in case a payment of Rs.10,000/- is made on behalf of a registered person by a representative, the representative shall be entitled to recover the amount of _____:
- a) Rs.5,000/-
 - b) Rs.8,000/-
 - c) Rs.10,000/-
 - d) Rs.15,000/-
36. According to Section 59, the tax paid on goods, consumable stores, imported goods before registration can be claimed as _____ if a person applies for registration and has tax invoice issued under Section 23 from a registered person:
- a) Input tax
 - b) Output
 - c) Inadmissible
 - d) Further Tax
37. According to Section 60, only Federal Government may authorize the import of goods or class of goods, without payment of the whole or any part of the tax payable:
- a) Commissioner
 - b) Exporter
 - c) Provincial Government
 - d) Federal Government
38. According to Section 60, Federal Government may authorize the import of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following person only:
- a) Unregistered importers
 - b) Registered importers importing such goods temporarily with a view to subsequent exportation

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ANSWERS

- c) Registered dealers property
 - d) Registered dealers money
39. According to Section 60, Federal Government may authorize the import of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following person only:
- a) Unregistered Importers
 - b) registered manufacturer-cum-exporters who import raw materials and intermediary products for further manufacture of goods meant for export
 - c) un-Registered cottage industry
 - d) Registered dealers money
40. According to Section 66, no refund claim shall be entertained if it is not made within _____ year of payment:
- a) One
 - b) Thrrre
 - c) Four
 - d) Six
41. According to Section 67, where a refund due was delayed, an amount equal to amount of refund along with a _____ will be paid to the registered person:
- a) Default Surcharge
 - b) Compensation
 - c) Extra Tax
 - d) Further Tax
42. According to Section 72B, selection for audit can be done by the:
- a) Board
 - b) Member Operations
 - c) Chief Commissioner
 - d) Member Accounting

1	B	21	B	41	B
2	D	22	C	42	A
3	C	23	B		
4	D	24	D		
5	B	25	D		
6	D	26	C		
7	C	27	C		
8	A	28	D		
9	A	29	D		
10	C	30	B		
11	C	31	C		
12	A	32	C		
13	B	33	A		
14	A	34	C		
15	B	35	C		
16	D	36	A		
17	A	37	D		
18	D	38	B		
19	B	39	B		
20	B	40	A		

THE FEDERAL EXCISE ACT, 2005

The Federal Excise Act, 2005, was promulgated with effect from 1st July, 2005, repealing the Central Excises Act, 1944. Following are some of the significant changes brought about by the new Act:

- The word "Federal" was used in place of "Central". Therefore, now the term "Federal Excise Duty" is more appropriate as compared to old "Central Excise Duty" for the duties of excise levied under the 2005 Act.
- The system of physical supervision has been entirely done away with and now all clearances will be self-assessed and no prior permission for clearance will be required.
- The payment of duty will be on monthly basis and the duty on all clearances during the month will be payable by the 15th of next month. This is in contrast to previous requirement of payment of duty prior to clearance.
- No gate passes are required for clearances as in the old system.
- Double taxation has been eliminated by allowing adjustment of the excise duty paid on the input goods used directly in the manufacture of excisable goods.
- On some services and goods FED is payable in VAT more i.e. in the same manner as provided in the Sales Tax Act, 1990. For details see the link 'Goods/Services Liable to Excise Duty' on this page.

Federal Excise duty is payable on:

- goods produced or manufactured in Pakistan;
- goods imported into Pakistan
- such goods as the Federal Government may, by notification in

the official Gazette, specify, as are produced or manufactured in the non-tariff areas and are brought to the tariff areas for sale or consumption therein; and

- services, provided or rendered in Pakistan;

Special Excise Duty

As part of budgetary measures for the year 2007-08, Special FED at 1% has been levied on goods which are manufactured or are imported in Pakistan. This duty is in addition to FED as prescribed in First Schedule of the Federal Excise Act, 2005. For list of goods excluded from purview of this special duty and other details see SRO 655(I)/2007

FED act 2005 consists of 6 chapters, 48 sections and 4 schedules.

❖ CHAPTER I PRELIMINARY (Sections 1-2)

❖ CHAPTER II LEVY, COLLECTION AND PAYMENT OF DUTY (Sections 3-18)

❖ CHAPTER III OFFENCES AND PENALTIES (Sections 19-24)

❖ CHAPTER IV SEARCHES, ARRESTS AND SEIZURES (Sections 25-28)

❖ CHAPTER V POWERS, ADJUDICATION AND APPEALS (Sections 29-39)

❖ CHAPTER VI SUPPLEMENTAL PROVISIONS (Sections 40-48)

- 1st Schedule (Section 3) relates to Excisable goods
- 2nd Schedule (Section 7) relates to (Goods on which duty is collectible under sales tax mode with entitlement

(for adjustment with sales tax and vice versa)

- 3rd Schedule (Section 16) relates to Conditional Exemptions
- 4th Schedule (Sub-Section 5A of Section 3) Minimum Production of Steel Products

Section 1 (3) It shall come into force on 1st day of July, 2005.

Section 2 (7) "default surcharge" means surcharge levied under section 8,

Section 2 (8a) "due date", in relation to furnishing a return under section 4, means the 15th day of the month following the end of the month, or such other date as the Federal Government may, by notification in the official Gazette, specify.

Section 2 [(8b) "dutiabale goods" means all excisable goods specified in the First Schedule except those which are exempt under section 16 of the Act;

Section 2(8c) "dutiabale supply" means a supply of dutiabale goods made by a manufacturer other than a supply of goods which is exempt under section 16 of the Act;

Section 2(8d) "dutiabale services" means all excisable services specified in the First Schedule except those which are exempt under section 16 of the Act;

Section 2(9) "duty" means any sum payable under the provisions of Federal Excise Act, 2005 or the rules made there under and includes the default surcharge and the duty chargeable at the rate of zero per cent;

Section 2(13) "goods" means goods leviable to excise duty under this Act or as specified in the First Schedule and includes goods manufactured or produced in non-tariff area and brought for use or consumption to tariff area;

Section 2(18) "person" includes a company, an association, a body of

individuals, whether incorporated or not, a public or local authority, a Provincial Government or the Federal Government;

Section 2(26) "zero-rated" means duty of Federal excise levied and charged at the rate of zero per cent under section 5 of Federal Excise Act 2005.

Section 3 Duties specified in the First Schedule to be levied Subject to the provisions of this Act and rules made there under, there shall be levied and collected in such manner as may be prescribed duties of excise on,—

(a) Goods produced or manufactured in Pakistan;

(b) Goods imported into Pakistan;

(c) such goods as the Federal Government may, by notification in the official Gazette, specify, as are produced or manufactured in the non-tariff areas and are brought to the tariff areas for sale or consumption therein, and

(d) Services provided in Pakistan including the services originated outside but rendered in Pakistan;

At the rate of fifteen per cent ad valorem except the goods and services specified in the First Schedule.

Note: if person is not registered a further duty of 2% of the value in addition to duty specified above.

The liability to pay duty shall be—

(A) In case of goods produced or manufactured in Pakistan, of the person manufacturing or producing such goods;

(b) In case of goods imported into Pakistan, of the person importing such goods;

(c) in case of services provided or rendered in Pakistan, of the person providing or rendering such service, provided where services are rendered by

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the person out of Pakistan, the recipient of such service in Pakistan shall be liable to pay duty, and

(d) In case of goods produced or manufactured in non-tariff areas and brought to tariff areas for sale or consumption therein, of the person bringing or causing to bring such goods to tariff areas.

Section 4 relates to filing of return and payment of duty, every registered person shall furnish a return every month by due date i.e., 15th of the following month.

A registered person may, subject to approval of the Commissioner Inland Revenue of Federal Excise having jurisdiction, file a revised return within one hundred and twenty days of the filing of return, to correct any omission or wrong declaration made therein.

Section 5 relates to zero rated duty on the good exported out of Pakistan or otherwise notified by the FBR.

Section 6 relates to adjustment of duty of excise, for the duty already paid for the goods specified in the First Schedule with conditions that

- Adjustment of duty shall be admissible for registered person
- Registered person must hold valid proof of purchase of specified good and proof of payment of duty thereon.
- Payment of such goods including price and duty is paid through banking means
- Restriction on adjustment of duty can be imposed for the adjustment of input tax on the wastage of material.

Section 7 relates to Application of the provisions of the Sales Tax Act, 1990 it applies to the goods or services on which duty is collectible under sales tax mode with entitlement for adjustment with sales tax and vice versa. These goods or services are specified in the second schedule of Federal Excise Act, 2005. (In

the tax year 2021 Edible, vegetable and cooking oil were the goods under this schedule)

Section 8 Default surcharge. If a person does not pay the duty due or any part thereof within the prescribed time or receives a refund of duty or drawback or makes an adjustment which is not admissible to him, he shall, in addition to the duty due, pay default surcharge at the rate of twelve per cent per annum of the duty due, refund of duty or drawback.

Section 9 Liability for payment of duty in the case of private companies or business enterprises or in case of sale of business ownership

- In case of liquidation, discontinuation or termination of business any outstanding duty payable shall be recovered from the owner, partner or director jointly or severally.

- In case of transfer of business from one person to another the liability of duty shall also be deemed transferred and shall be recovered from the new owner.

Section 10 Applicable value and rate of duty. The value and the rate of duty applicable to any goods or services shall be the value, retail price, tariff value and the rate of duty in force

Note: Where any good is chargeable to a duty on the basis of retail price, duty thereon shall be paid on the retail price fixed by the manufacturer, inclusive of all duties, charges and taxes, other than sales tax levied and collected under section 3 of the Sales Tax Act, 1990

Section 11 Collection of excess duty etc., any duty charged to any customer whether collectable or not shall be paid to the Federal Government and claim for refund of any such amount shall not be admissible on any grounds.

Section 12 Determination of Value for the purpose of duty. _ value of supply shall include price all the federal or

provincial duties and taxes excluding Federal Excise Duty. Where duty is on retail price the values of supply for application of federal excise duty shall be the retail price as fixed by the manufacturer.

Note: Where consideration of the supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the open market price of the supply excluding the amount of duty.

Section 13 Registration any person engaged in the production or manufacture of goods or providing or rendering services liable to duty of excise under this Act shall, unless otherwise specified, be required to obtain registration in the prescribed manner regardless of his annual turnover or volume of sales of such goods or services

Note: Where a person who is already registered under the Sales Tax Act, 1990, shall not be required to take separate registration for excise purpose and his sales tax registration shall be deemed to be a registration for the purpose of this Act.

Section 14 Recovery of unpaid duty or of erroneously refunded duty or arrears of duty, etc: Where any person has not levied or paid any duty or has short levied or short paid such duty or where any amount of duty has been refunded erroneously, such person shall be serviced with notice requiring him to show cause for payment of such duty provided that such notice shall be issued within 5 years from the relevant date.

Section 14A Short Paid amounts recoverable. _ short paid amount of any due duty or any penalty imposed after show cause shall be recovered from such person

- By stopping removal of any goods from his business premises
- Through bank attachment of business accounts

Section 16 Exemptions _ Goods or services provided in the third schedule are exempt from whole of excise duty and adjustment of input tax shall not be admissible in respect of goods exempt from duty of excise.

Section 17 Records.—(1) Every person registered for the purposes of this Act shall maintain and keep for a period of six years or till such further period the final decision in any proceedings including proceedings for assessment, appeal, revision, reference, petition and any, proceedings before an Alternative Dispute Resolution Committee, is finalized at his business premises or registered office in English or Urdu language the following records of excisable goods purchased, manufactured and cleared (including those cleared without payment of excise duty) by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his liability of duty.

Section 18 Invoices: A person registered under this Act shall issue for each transaction a serially numbered invoice at the time of clearance or sale of goods, including goods chargeable to duty at the rate of zero per cent, or providing or rendering services containing name, address and registration number of buyer and seller, description quantity value of goods or services exclusive of excise duty amount of excise duty and value inclusive of duty.

Section 19 Offences, penalties, fines and allied matters

> No filing, Fine: Rs. 5000

> In case of short payment or fail to make payment: Rs10,000 or 5% of amount involved whichever is higher.

Note: a person files the return within fifteen days after the due date he shall pay a penalty of Rupees 100 for each day of default.

- If any person gives untrue or incorrect or wrong information or falsifies any document or does not produce document required then

He shall be liable to fine which may extend to Rupees 20,000 and in case if he falsifies any document, the fine may extend to Rupees 100,000 and he shall be punishable with imprisonment for a term which may extend to five years or with both.

- Any person, who illegally removes, stores, keeps or withdraws or in any way concerned in conveying, removing, depositing or dealing with goods with intent to defraud the Government or in any way concerned in any fraudulent evasion or claims takes or avails non admissible adjustment or in any way concerned in the manufacture of any dutiable goods in contravention of the provisions of this act or rules

He shall be to fine which may extend to Rupees 50,000 or five times of the duty involved whichever is high and to punishment with imprisonment which may extend to 5 years or both

- Any person who, without the approval of the Commissioner, directly or otherwise destroys, damages, erases or otherwise manipulates data stored in or used in connection with a computer or otherwise uses a computer the purpose or effect of which is to reduce, avoid or evade any liability to duty of excise which would otherwise have been imposed by this Act, or to defeat any provisions of this Act or rules made there under:

He shall be guilty of an offence and shall be liable to fine which may extend to Rupees 75000 or ten times of the duty involved, whichever is higher and to punishment with imprisonment which may extend to five years or both.

- Any person who obstructs any officer of Inland Revenue or other public servant or any person acting in his aid or assistance, or duly employed for the prevention of offences under this Act or rules made there under in the execution of his duty or in the due seizing of any goods liable to seizure under this Act or rules made there under:

He shall be guilty of an offence and for each such offence, shall be liable to fine which may extend to Rupees 50000 or five times of duty involved, whichever is higher and to punishment which may extend to three years or both.

- If any person obtains or abets in obtaining any amount by the way refund or drawback of any duty in respect of any goods or services not lawfully payable or allowable then

He shall be guilty of an offence and shall be liable to fine which may extend to Rs 100000 or 5 times of duty involved whichever is higher and to punishment with imprisonment which may extend to 5 years or both.

- Where any goods are chargeable to duty on the basis of retail price under this Act and the retail price is not indicated on the goods and in case of cigarettes, retail price, health warning and name of the manufacturer is not mentioned in the manner specified therein or in the rules made there under, then duty shall be charged at the rate of 500 per cent ad valorem in case of cigarettes, and 40 per cent ad valorem in case of goods other than cigarettes.

- In case of counterfeited production of cigarettes or unmanufactured tobacco, all the machinery, equipment, finished goods, raw material, instruments shall be destroyed and the person involved in such activity shall not be entitled to

claim any damages, input or refund on any grounds.

- Where no penalty has been provided five thousand rupees or three percent of duty whichever is high shall be imposed as penalty.

Section 20 and 21, A special Judge shall be appointed by the Federal Government for trial of the offences under the Federal Excise Act 2005

Section 21A Appeal against the order of Special Judge. – An appeal against the order of a special Judge in respect of the trial of offence shall lie to the respective High Court of the Province within thirty days of the passing of the order and it shall be heard as an appeal under the Code of Criminal Procedure 1898 (Act V of 1898) by a single judge of High Court

Section 22, 23,24 Power to arrest and prosecute – Any officer of Inland Revenue authorized by the Board in this behalf who has reason to believe that any person has committed an offence under this Act may arrest such person after obtaining permission in writing from the Commissioner concerned:

Provided that the officer of Inland Revenue shall immediately intimate the fact of the arrest of a person to the Special Judge who may direct such Officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly

Any officer of Inland Revenue authorized by the Board shall summon any person to give evidence, information, document or for any inquiry (inquiry deemed to be Judicial Proceeding as per sections 193 and 228 of Pakistan Penal Code 1860)

All officers of police and customs, sales civil armed forces and all village officer

shall assist the officer of inland revenue in execution of arrest

Note: The officer of Inland Revenue empowered to hold inquiry under this section shall maintain a register to be called "Register of Arrests and Detention"

Section 25 Searches and arrests are to be made in the manner specified in Code of Criminal Proceeding 1898

Section 26, 27,28 The counterfeited cigarettes or beverages manufactured unlawfully or other dutiable goods on which duty has not been paid shall be liable to seizure along with the conveyance used for carriage of such goods. The goods seized shall be liable to outright confiscation.

Note: counterfeited cigarettes or beverages, shall be destroyed and for other dutiable goods owner shall be given option to pay duty along with penalty for release of such goods. Seized Conveyance shall be released on the orders of Special Judge or furnishing of bank guarantee. -

Note: Adjudicating officer may give the owner of the conveyance an option to pay fine in lieu of confiscation for such fine as the officer thinks fit

Section 29 Appointment of Federal excise officers and delegation of powers

- Chief Commissioner Inland Revenue
- Commissioner Inland Revenue
- Commissioner Inland Revenue (Appeals)
- Additional Commissioner Inland Revenue
- Deputy Commissioner Inland Revenue
- District Taxation Officer
- Assistant Commissioner Inland Revenue

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- (fa) Assistant Director Inland Revenue
- (g) Inland Revenue Officer
- (h) Superintendent Inland Revenue
- (i) Inspector Inland Revenue
- (j) Inland revenue Audit Officer; and
- (k) Officer of Inland Revenue with any other designation

Section 33 Appeals to Commissioner (Appeals)— Any person other than Federal Excise officer aggrieved by any decision or order passed under this Act or the rules made there under by an officer of Inland Revenue up to the rank of Additional Commissioner Inland Revenue, other than a decision or order or notice given or action taken for recovery of the arrears of duty under this Act or rules made there under may within thirty days of receipt of such decision or order prefer appeal there from to the Commissioner (Appeals) in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.

The Commissioner (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against

Provided that such order shall be passed not later than one hundred and twenty days from the date of filing of appeal or within such extended period, not exceeding sixty days, as the Commissioner (Appeals) may, for reasons to be recorded in writing, extend.

Provided further that any period during which the proceeding is adjourned on account of stay order or Alternative

Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded for the computation of this period.

(3) In deciding an appeal, the Commissioner (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for de novo consideration.

Section 34 Appeals to the Appellate Tribunal— Any person or [officer of Inland Revenue] aggrieved by any of the following orders may within sixty days of the receipt of such orders file appeal to the Appellate Tribunal against such orders,—

- (a) An order passed by the Commissioner (Appeals); and
- (b) An order passed by the Board or the Commissioner Inland Revenue under section 35.

Provided that the Appellate Tribunal shall decide the appeal filed under this sub-section within six months of its filing of appeal.

Section 34A Reference to High Court.— (1) Within ninety days of the communication of the order of the Appellate Tribunal under sub-section (2A) of section 34, the aggrieved person or the Commissioner may preference application, in the prescribed form along with a statement of the case, to the High Court, stating any question of law arising out of such order.

(2) The statement to the High Court referred to in sub-section (1), shall set out the facts, the determination of the Appellate Tribunal and the question of law which arises out of its order.

(3) Where, on an application made under sub-section (1), the High Court is satisfied that a question of law arises out of the order referred to in sub-section (1), it may proceed to hear the case.

(4) A reference to the High Court under this section shall be heard by a Bench of not less than two judges of the High Court and, in respect of the reference, the provisions of section 98 of the Code of Civil Procedure, 1908 (Act V of 1908), shall apply.

(5) The High Court upon hearing a reference under this section shall decide the question of law raised by the reference and pass judgment thereon specifying the grounds on which such judgment is based and the Tribunal's order shall stand modified accordingly. The Court shall send a copy of the Judgment under the seal of the Court to the Appellate Tribunal.

(6) Notwithstanding that a reference has been made to the High Court, the tax shall be payable in accordance with the order of the Appellate Tribunal.

(7) Where recovery of tax has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six month following the day on which it was made unless the appeal is decided or such order is withdrawn by the High Court earlier.

(8) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1).

(9) An application under sub-section (1) by a person other than the Commissioner shall be accompanied by a fee of one hundred rupees.

Section 37 Deposit, pending appeal, of duty demanded or penalty levied.—

(1) Where in any appeal, the decision or order appealed against relates to any duty demanded or penalty imposed under this Act, the person desirous of appealing against such decision or order shall, pending the appeal, deposit the duty demanded or the penalty imposed provided that the Appellate Tribunal or Commissioner (Appeals) may in any particular case dispense with such deposit subject to such conditions as it may deem

fit to impose so as to safeguard the interest of revenue

(2) The order for such dispensation under sub-section (1) shall cease to have effect on the expiration of a period of six months following the date on which order for dispensation is withdrawn earlier or the case is finally decided earlier by the Appellate Tribunal or 1[Commissioner] (Appeals)

(3) Notwithstanding sub-sections (1) and (2), the Appellate Tribunal or 1[Commissioner] (Appeals) may direct that, pending decision on the appeal, the duty demanded or penalty imposed, along with the default surcharge payable under this Act, be paid by the appellant in suitable installments spread over a period not exceeding six months from the date of such direction

Provided that where a person has, at the time of filing appeal, deposited fifteen per cent of the liability covered under the decision or order appealed against, he shall not be required to separately seek stay against recovery and stay in such a case shall commence from the date of payment of such fifteen per cent amount and shall remain valid till the expiry of a period of six months or till the decision of the appeal, whichever is earlier unless the case is decided in his favor and the amount so paid is claimed to have become due for refund.

Section 38- Alternative dispute resolution

After examination of application of taxpayer, board may appoint a committee within thirty days of receipt of such application in the Board, consisting of an officer of Inland revenue not below the rank of an Additional Commissioner and two persons from the notified panel consisting of retired Judges not below District and Sessions Judge, chartered or cost accountants, advocates, representatives of trade bodies or

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The committee constituted under shall examine the issue and may if it deems fit, conduct inquiry, seek expert opinion, direct any officer of the sales tax or any other person to conduct an audit and shall make recommendations within ninety days of its constitution in respect of the dispute. If the committee fails to make recommendations within the said period the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days. If after the expiry of the period the dispute is not resolved the matter shall be taken up by the appropriate forum for decision.

The Board may, on the recommendation of the Committee, pass such order, as it may deem appropriate within forty-five days of the receipt.

Section 44 Refund of duty.—(1) No refund of any amount of duty accrued for any reason under this Act or rules made there under shall be allowed unless claimed within one year of its accrual.

(2) In a case where a registered person did not avail adjustment of duty admissible at the relevant time, the [Commissioner] may allow such person to avail the adjustment at any subsequent time provided that claim for such adjustment is made within a period of one year from the date on which it was admissible.

(3) In a case where claim for refund or adjustment has accrued in consequence of any decision or judgment of any Federal Excise Officer, the Tribunal or Court, the period of one year, for the purpose of this section, shall be computed from the date of such decision or judgment.

Section 44 A Delayed refund. Where a refund due under section 44 is not made within the time specified in this behalf, there shall be paid to the claimant, in addition the amount of refund due to

him, a further sum equal to KIBOR per annum of the amount of refund due, from the date following the expiry of the time specified as aforesaid, to the day preceding the day of payment of refund.

Provided that where there is a reason to believe that a person has claimed the refund which is not admissible to him, he shall not be entitled to additional amount unless the investigation of his claim is completed.

Section 46 Departmental Audit.—(1) The [officer of Inland Revenue] authorized by the Board [or Chief Commissioner] by designation may, once in a year, after giving advance notice in writing, conduct audit of the records and documents of any person registered under this Act.

(2) In case the Commissioner has information or sufficient evidence showing that such registered person is involved in fraud or evasion of duty, he may authorize a Federal Excise Officer, not below the rank of [Assistant Commissioner], to conduct audit at any time in a year.

(2A) After completion of the audit under this section or any other provision of law, the officer of Inland Revenue may, after obtaining the registered person's explanation on all the issues raised in the audit shall pass an order under section 14, imposing the amount of duty as per law, charging default surcharge, imposing penalty and recovery of any amount erroneously refunded.

(3) Notwithstanding the penalties prescribed in section 19, if a registered person wishes to deposit the amount of duty not paid, short paid or the amount of duty evaded along with default surcharge voluntarily, whenever it comes to his notice, before commencement of audit, no penalty shall be recovered from him:

Provided that if a registered person wishes to deposit the amount of duty not paid, short paid or amount of duty evaded

along with default surcharge during or after the audit but before the [determination of liability under sub-section (2A)] conclusion of original adjudication proceedings, he may deposit such amount along with twenty five percent of the amount of penalty prescribed under this Act or the rules made there under and in such case, further proceedings in the case shall abate.

(4) The Board may appoint a Chartered Accountant or a Cost and

Management Accountants or other preparation accountants to conduct audit of a person liable to pay duties under this Act in such manner and subject to such conditions it may specify.

(5) The audit of the registered person shall generally be a composite audit covering all duties and taxes to which his business or activity is liable under the laws administered by the Board.

MCQs FEDERAL EXCISE ACT 2005-I

1. As per the Federal Excise Act, 2005, its scope extends to:
 - a) Entire Pakistan
 - b) Certain areas of Pakistan
 - c) AJK and Northern Areas
 - d) FATA
 - e) Tribal Areas
2. As per Federal Excise Act, 2005, the scope of the act is limited to:
 - a) Business and capital services
 - b) Excisable goods and services
 - c) Imputable income and normal services
 - d) Trading and whole sale services
 - e) Software services and imports
3. As per Federal Excise Act, 2005 an adjudicating authority is all of the following except:
 - a) any authority competent to pass any order under the FED Act
 - b) any authority competent to pass any decision under the FED Act
 - c) orders passed by the Federal Board and Appellate Tribunal
 - d) any authority competent to pass any order under the FED rules
 - e) any authority competent to pass any order under the FED rules
4. As per Federal Excise Act, 2005 adjustment of duty on account of goods used in the manufacture or production of other goods means:
 - a) means deduction of amount of tax paid from the amount of duty payable
 - b) means deduction of amount of input paid from the amount of duty payable
 - c) means deduction of amount of duty paid from the amount of output payable
 - d) means deduction of amount of input paid from the amount of output payable
 - e) means deduction of amount of duty paid from the amount of duty payable
5. As per Federal Excise Act, 2005 conveyance is defined as one of the following:
 - a) Uber
 - b) vessel

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- c) bykea
d) careem
e) rocket
6. As per Federal Excise Act, 2005 a distributor appointed by the manufacturer in or for a specified area can make sales to all of the following except:
- Wholesaler in the specified area
 - Retailer not in the specified area
 - Customer in the specified area
 - Shopping centre in the specified area
 - Another distributor appointed by the same manufacturer
7. As per Federal Excise Act, 2005, "due date" in relation to furnishing a return has been specified under section:
- 2
 - 3
 - 4
 - 5
 - 6
8. As per Federal Excise Act, 2005, the day specified as "due date" in relation to furnishing a return is:
- the 1st day of the month following the end of the month
 - the 12th day of the month following the end of the month
 - the 15th day of the month following the end of the month
 - the 18th day of the month following the end of the month
 - the 20th day of the month following the end of the month
9. As per Federal Excise Act, 2005, "due date", in relation to furnishing a return can be one of the following:
- date specified by the Tax house by notification in the official Gazette
 - date specified by the Custom house by notification in the official Gazette
 - date specified by the Federal government by notification in the official Gazette
 - date specified by the Board by notification in the official Gazette
 - date specified by the Provincial government by notification in the official Gazette
10. As per Federal Excise Act, 2005 exempt goods are mentioned in section:
- 12
 - 13
 - 15
 - 16
11. As per Federal Excise Act, 2005 dutiable goods are:
- Dutiable goods
 - Excisable goods
 - Imputable goods
 - Exempt goods
 - Taxable goods
12. As per Federal Excise Act, 2005 dutiable goods are mentioned in the:
- First Schedule
 - Second Schedule
 - Third Schedule
 - Fourth Schedule
 - Fifth Schedule
13. As per Federal Excise Act, 2005, "dutiable supply" means a supply of dutiable goods made by a:
- Retailer
 - Wholesaler
 - Manufacturer
 - Trader
 - E-platform

14. As per Federal Excise Act, 2005, following do not fall in the definition of "duty"
- Duty paid at normal rate
 - Duty paid at reduced rate
 - Duty paid at zero percent
 - Default surcharge
 - Penalty paid
15. As per Federal Excise Act, 2005, "duty due" means duty in respect of:
- supplies made or services provided or rendered during a tax period
 - supplies made or services provided or rendered during a year
 - supplies made or services provided or rendered during a special tax year
 - supplies made or services provided or rendered during a month
 - supplies made or services provided or rendered during a period
16. As per Federal Excise Act, 2005, undertaking falls within the definition of a/an:
- Firm
 - Company
 - Association of person
 - Establishment
 - Individual
17. As per Federal Excise Act, 2005, Establishment doesn't include the following:
- firm whether incorporated or not
 - a non-resident
 - company whether incorporated or not
 - an association of persons
 - an individual
18. As per Federal Excise Act, 2005, dutiable services are:
- Dutiable services
 - Excisable services
 - Imputable services
 - Exempt services
 - Taxable services
19. As per Federal Excise Act, 2005, dutiable services are mentioned in the:
- First Schedule
 - Second Schedule
 - Third Schedule
 - Fourth Schedule
 - Fifth Schedule
20. As per Federal Excise Act, 2005, "Officer of Inland Revenue" is appointed under section:
- 25
 - 26
 - 27
 - 28
 - 29
21. As per Federal Excise Act, 2005, "Officer of Inland Revenue" is appointed by the:
- President
 - Board
 - Provincial government
 - Federal government
 - Local government
22. As per Federal Excise Act, 2005, "Officer of Inland Revenue" is:
- Officer of Federal government
 - Officer of Private government
 - Officer of Provincial government
 - Officer of District government
 - Officer of Local government
23. As per Federal Excise Act, 2005, "factory" for the purpose of manufacturing is defined as:
- Godown
 - Land

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- c) Premises
- d) Playground
- e) Storage area
- 24. As per Federal Excise Act, 2005, "franchise" is granted by a:
 - a) Fundraiser
 - b) Equity provider
 - c) Franchiser
 - d) Investor
 - e) Stock-broker
- 25. As per Federal Excise Act, 2005, "franchise" is given:
 - a) An obligation to work a new project
 - b) A contract to execute a demand
 - c) A liability to fulfill
 - d) an authority, any right to produce, manufacture, sell or trade
 - e) An instrument to execute
- 26. As per Federal Excise Act, 2005, "goods" means goods leviable to:
 - a) excise duty
 - b) excise penalty
 - c) excise default surcharge
 - d) excise arrears
 - e) excise advance
- 27. As per Federal Excise Act, 2005, "goods" are goods produced in:
 - a) Tariff and non-tariff area
 - b) Non-tariff area
 - c) Provincial area
 - d) Federal area
 - e) District area
- 28. As per Federal Excise Act, 2005, "goods" leviable to excise duty are mentioned in:
 - a) First Schedule
 - b) Second Schedule
 - c) Third Schedule
 - d) Fourth Schedule
 - e) Fifth Schedule

- 29. As per Federal Excise Act, 2005, "goods" brought from non-tariff area to tariff area are:
 - a) leviable to penalty
 - b) leviable to default surcharge
 - c) leviable to input tax
 - d) leviable to excise duty
 - e) leviable to output duty
- 30. As per Federal Excise Act, 2005, "KIBOR" means Karachi Inter Bank Offered Rate:
 - a) prevalent on fifteenth day of each quarter of the financial year
 - b) prevalent on first day of each semi-quarter of the financial year
 - c) prevalent on last day of each quarter of the financial year
 - d) prevalent on first day of each quarter of the financial year
 - e) prevalent on thirtieth day of each quarter of the financial year
- 31. As per Federal Excise Act, 2005, "non-tariff area" includes:
 - a) Tribal areas of Balochistan
 - b) Azad Jammu and Kashmir and Northern Areas
 - c) Tribal areas of Punjab
 - d) Punjab Province
 - e) FATA
- 32. As per Federal Excise Act, 2005, "non-fund banking services" includes allby the banking companies or non-banking financial institutions against a consideration in the form of a fee or commission or charges:
 - a) Interest based services provided or rendered
 - b) Non-interest based services provided or rendered
 - c) Services provided or rendered
 - d) Services provided

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- e) non-interest based services rendered
- 33. As per Federal Excise Act, 2005, a "person" includes one of the following:
 - a) Company
 - b) Director of government
 - c) A federal minister
 - d) A provincial government employee
 - e) A lottery ticket owner
- 34. As per Federal Excise Act, 2005, a "person" includes all of the following except:
 - a) an association whether incorporated or not
 - b) a body of individuals whether incorporated or not
 - c) a public or local authority
 - d) a Provincial Government or the Federal Government
 - e) A local community
- 35. As per Federal Excise Act, 2005, "prescribed" means prescribed under
 - a) the Federal Excise Act, 2005 Act or by rules made there under
 - b) the Income Tax Ordinance, 2001 or by rules made there under
 - c) the Sales Tax Act, 1990 Act or by rules made there under
 - d) the Islamabad Capital Territory Tax, or by rules made there under
 - e) the Punjab Sales tax Act, or by rules made there under
- 36. As per Federal Excise Act, 2005, "registered person" means a person who is:
 - a) registered or is required to be registered under the Provincial Excise Act, 2005

- b) registered or is required to be registered under the Federal Excise Act, 2005
- c) registered or is required to be registered under the Income Tax Ordinance, 2001
- d) registered or is required to be registered under the Sales Tax Act, 1990
- e) registered or is required to be registered under the Sales Tax Rules, 2006
- 37. As per Federal Excise Act, 2005, a person not registered under the act shall be:
 - a) shall be entitled to any input and output tax under this Act or rules made there under
 - b) shall not be entitled any input and output tax under this Act or rules made there under
 - c) shall not be entitled to any benefit or privilege under this Act or rules made there under
 - d) shall not be entitled to any duty drawback under this Act or rules made there under
 - e) shall not be entitled to any adjustment under this Act or rules made there under
- 38. As per Federal Excise Act, 2005, "sale" and "purchase" mean all of the following except:
 - a) any transfer of the possession of goods
 - b) confiscation of goods by the department
 - c) rendering and providing of services
 - d) ordinary course of trade or business for cash
 - e) deferred payment or other consideration
- 39. As per Federal Excise Act, 2005, in the "sales tax mode" all powers of Federal Excise Act can be exercised in:

- a) Sales Tax as per section 3 of the Sales tax Act 1990
 b) Federal Excise Act, 2005 as per section 3 of the Federal Excise Act 2005
 c) Income tax Ordinance, 2001 as per section 3 of the ITO, 2001
 d) Sales Tax as per section 4 of the Sales tax Act 1990
 e) Sales Tax as per section 5 of the Sales tax Act 1990
40. As per Federal Excise Act, 2005, "services" are applicable to services:
 a) originating from tariff area or terminating in Pakistan
 b) originating from tariff area and terminating in tariff area
 c) originating from Pakistan or terminating in Pakistan
 d) originating from Pakistan or its tariff area or terminating in Pakistan or its tariff area
 e) originating from tariff area or terminating in non-tariff area
41. As per Federal Excise Act, 2005, the definition of "supply" includes any one of the following:
 a) Sale
 b) Trade
 c) Transfer
 d) Auction
 e) Destruction
42. As per Federal Excise Act, 2005, "tariff area" is defined as
 a) Area other than the non-tariff area
 b) Pakistan
 c) AJK
 d) Northern areas
 e) FATA
43. As per Federal Excise Act, 2005, "whistleblower" is defined in:
 a) Section 12D of the Federal Excise Act, 2005
 b) Section 32D of the Federal Excise Act, 2005
 c) Section 42D of the Federal Excise Act, 2005
 d) Section 52D of the Federal Excise Act, 2005
 e) Section 62D of the Federal Excise Act, 2005
44. As per Federal Excise Act, 2005, "zero-rated" is duty of Federal excise levied and charged at the rate of:
 a) 0.1
 b) 0.2
 c) 0.3
 d) 0
 e) 0.5
45. As per Federal Excise Act, 2005, "zero-rated" is duty of Federal excise levied and charged at the rate of zero per cent:
 a) under section 3
 b) under section 4
 c) under section 5
 d) under section 6
 e) under section 7
46. As per section sub-section 1 of section 3 of the Federal Excise Act, duties of excise are applicable at the following rate except for the items which fall within the First Schedule:
 a) 10
 b) 15
 c) 20
 d) 25
 e) 30
47. As per section sub-section 1 of section 3 of the Federal Excise Act, duties of excise are applicable on _____ basis.
 a) Zero valorem
 b) Minus valorem
 c) Ad valorem

- d) Without ad valorem
 e) Addendum
48. As per sub-section 2 of section 3 of the Federal Excise Act, duty on imported goods is collected as if it were:
 a) a duty of excise payable under the Customs Act, 1969
 b) a duty of tax payable under the Customs Act, 1969
 c) a duty of customs payable under the Customs Act, 1969
 d) a duty of sales tax customs payable under the Customs Act, 1969
 e) a duty of income tax payable under the Customs Act, 1969
49. Additional duty on a person not registered under the Federal Excise Act, 2005 shall be applicable as per sub-section _____ of section 3:
 a) 3
 b) 3A
 c) 4
 d) 5
 e) 6
50. Additional duty on a person not registered under the Federal Excise Act, 2005 as per section 3(3A) shall be:
 a) 1
 b) 1.5
 c) 2
 d) 2.5
 e) 3
51. Additional duty on a person not registered under the Federal Excise Act, 2005 as per section 3A is applicable on:
 a) Exempt services and taxable goods
 b) Excisable goods and excisable services
 c) Taxable goods and exempt services
 d) Imputable goods and reduced rate services
 e) Reduced rate goods and excisable services
52. The Federal Government can collect duties at higher or lower rates as per:
 a) Sub-section 1 of section 3
 b) Sub-section 2 of section 3
 c) Sub-section 3 of section 3
 d) Sub-section 3A of section 3
 e) Sub-section 4 of section 3
53. Minimum production threshold for production of goods specified in the Fourth Schedule is defined to be collected as per section:
 a) Sub-section 3 of section 3
 b) Sub-section 3A of section 3
 c) Sub-section 4 of section 3
 d) Sub-section 5 of section 3
 e) Sub-section 5A of section 3
54. Return for Federal excise duty shall be filed on a:
 a) Weekly
 b) Monthly
 c) quarterly
 d) Bi-annually
 e) Annually
55. Return for Federal excise duty shall be filed as per section:
 a) 3
 b) 4
 c) 5
 d) 6
 e) 7
56. As per sub-section 4 of section 4, approval of commissioner to revise return filed under sub-section 1 of section 4 is required if revision is to be made within:
 a) 90
 b) 120
 c) 150

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- d) 180
- e) 200
- 57. As per proviso to sub-section 4 of section 4, approval of commissioner to revise return filed under sub-section 1 of section 4 is not required if revision is made within
 - a) 20
 - b) 30
 - c) 40
 - d) 60
 - e) 80
- 58. As per Federal Excise Act, 2005, Adjustment of duty is allowed as per section
 - a) 3
 - b) 4
 - c) 5
 - d) 6
 - e) 7
- 59. As per Federal Excise Act, 2005, Zero rate of duty is allowed as per sub-section (1) of section 5 under the following conditions.
 - a) Duty paid on goods exported out of Pakistan and goods specified by the Federal government
 - b) Duty paid on goods imported into Pakistan and goods specified by the Board
 - c) Duty paid on goods exported out of Pakistan and goods specified by the Customs
 - d) Duty paid on goods exported out of Pakistan and goods specified by the Provincial government
 - e) Duty paid on goods imported in Pakistan and goods specified by the Board
- 60. As per Federal Excise Act, 2005, grant of drawback on duty is allowed as per:
 - a) Sub-section 1 of section 5

- b) Sub-section 2 of section 5
- c) Sub-section 3 of section 5
- d) Sub-section 4 of section 5
- e) Sub-section 5 of section 5
- 61. As per Federal Excise Act, 2005, adjustment of duty for the purpose of calculation of liability is given in
 - a) Sub-section 1 of section 6
 - b) Sub-section 2 of section 6
 - c) Sub-section 3 of section 6
 - d) Sub-section 4 of section 6
 - e) Sub-section 5 of section 6
- 62. As per Federal Excise Act, 2005 adjustment of duty of excise under sub-section (1) of section 6 shall be admissible only if:
 - a) the supplier has paid amount of tax due
 - b) the supplier has declared it in his return
 - c) the supplier has declared it in his return and he has paid amount of tax due
 - d) the supplier has declared it in his return and but he has not paid amount of tax due
 - e) the supplier has not declared it in his return but he has paid amount of tax due
- 63. As per Federal Excise Act, 2005, default surcharge is applicable as per section:
 - a) 6
 - b) 7
 - c) 8
 - d) 9
 - e) 10
- 64. As per Federal Excise Act, 2005, default surcharge is applicable at the rate of per annum:
 - a) 8
 - b) 10
 - c) 12
 - d) 15

- e) 20
- 65. As per Federal Excise Act, 2005, default surcharge is applicable on the following only:
 - a) Capital gains
 - b) Inadmissible refund
 - c) Taxable income
 - d) Inadmissible input tax
 - e) Tax deduction
- 66. As per Federal Excise Act, 2005, default surcharge is applicable on the following only:
 - a) Capital gains
 - b) Inadmissible adjustment
 - c) Taxable income
 - d) Inadmissible input tax
 - e) Tax deduction
- 67. As per Federal Excise Act, 2005, default surcharge is applicable on the following only:
 - a) Capital gains
 - b) Inadmissible drawback duty
 - c) Taxable income
 - d) Inadmissible input tax
 - e) Tax deduction
- 68. As per Federal Excise Act, 2005, Registration is required under section:
 - a) 10
 - b) 11
 - c) 12
 - d) 13
 - e) 14
- 69. As per Federal Excise Act, 2005 already registered under the Sales Tax Act, 1990:
 - a) shall be required to take separate registration under the Federal Excise Act, 2005
 - b) shall not be required to take separate registration
 - c) shall be required to take separate registration under Income Tax Ordinance, 2001

- d) shall not be required to take separate registration under the Sales Tax Act, 1990
- e) shall not be required to take separate registration under Sales Tax Act and Federal Excise Act

ANSWER KEY-I

1	a	17	b	33	a	49	b	65	b
2	b	18	b	34	e	50	c	66	b
3	a	19	a	35	a	51	b	67	b
4	e	20	e	36	b	52	e	68	d
5	b	21	b	37	c	53	e	69	b
6	b	22	a	38	b	54	b		
7	c	23	c	39	a	55	b		
8	c	24	c	40	d	56	b		
9	d	25	d	41	a	57	d		
10	d	26	a	42	a	58	d		
11	b	27	a	43	c	59	a		
12	a	28	a	44	d	60	b		
13	c	29	d	45	c	61	a		
14	e	30	d	46	b	62	c		
15	d	31	b	47	c	63	c		
16	d	32	b	48	c	64	c		

MCQs FED-II

1. Under the FED Act 2005, the dutiable goods means all excisable goods specified in the _____ Schedule except those exempt under section 16.
 - a. First
 - b. Second
 - c. Third
 - d. Fourth
2. Dutiable services under FED Act 2005 means all excisable services specified in the _____ Schedule.
 - a. Fourth
 - b. Third
 - c. Second
 - d. First
3. Duty means _____ under the Federal Excise Duty Act 2005.
 - a. Any sum payable
 - b. Default surcharge
 - c. Duty chargeable @ 0%
 - d. All of the above.
4. Non-tariff area in FED Act means:
 - a. AJK
 - b. FATA
 - c. Gilgit Baltistan
 - d. All of the above.
5. Sales Tax Mode means _____.
 - a. The manner of collection and payment under the Sales Tax Act
 - b. The manner of collection and payment under Income Tax Act
 - c. The manner of collection and payment under provincial laws
 - d. All of the above.
6. There are a total of _____ schedules in FED Act 2005.
 - a. 3
 - b. 4
 - c. 5
 - d. 6
7. Excise duty is leviable on _____ under the FED Act 2005.
 - a. Good produced or manufactured in Pakistan
 - b. Good imported into Pakistan
 - c. Goods prescribed by the Federal Government
 - d. Services provided in Pakistan including the services originated outside Pakistan but rendered in Pakistan.
 - e. All of the above
8. The standard rate of FED is _____ percent.
 - a. 12
 - b. 14
 - c. 15
 - d. 16
9. Duty on imports is leviable in _____.
 - a. The manner in which customs duty is collected under the Customs Act
 - b. The manner in which income tax is collected
 - c. The manner in which sales tax is collected
 - d. None of the above.
10. Excise duty may be levied and collected on:
 - a. Production capacity of plants, machinery, undertaking, establishments or installations producing or manufacturing such goods
 - b. Fixed basis on any goods or class of goods or any services or class of services, payable by any establishment
 - c. Prorated basis prescribed by the taxpayers

- d. None of the above.
11. Further duty at the rate of _____ may be charged, levied and collection on excisable goods and services provided to an unregistered person.
 - a. 2%
 - b. 3%
 - c. 4%
 - d. 5%
12. The federal government may levy and collect duty on any class or classes of goods or services at a _____.
 - a. Higher rate
 - b. Lower rate
 - c. Prescribed rate
 - d. All of the above.
13. The liability to pay duty in case of production or manufacturing of goods shall be on _____.
 - a. Buyer
 - b. Seller
 - c. Manufacturer
 - d. Wholesaler
14. The liability to pay duty in case of goods imported into Pakistan shall be on _____.
 - a. Importer
 - b. Seller
 - c. Manufacturer
 - d. Wholesaler
15. The liability to pay duty in case services provided or rendered in Pakistan shall be on _____.
 - a. Buyer
 - b. Seller
 - c. Service Provider
 - d. Wholesaler
16. In case of goods produced or manufactured in non-tariff areas and brought to tariff areas for sale or consumption, The liability to pay duty shall be on _____.
 - a. Buyer
 - b. Seller
 - c. The person bringing goods into to tariff areas.
 - d. Wholesaler
17. For every month, a registered person/shall furnished not later than the due date i.e _____ a true and correct return.
 - a. 15th of the following month
 - b. 14th
 - c. 30th
 - d. 31st
18. Due duty will be deposited in _____.
 - a. NBP
 - b. Designated Branch
 - c. Tax House
 - d. Post Office
19. Revise return can be filed after approval from _____ within 120 days of filing of original return.
 - a. Chief Commissioner
 - b. Commissioner
 - c. Additional Commissioner
 - d. Deputy Commissioner
20. Revise return can be filed within sixty days after approval from _____.
 - a. Chief Commissioner
 - b. Commissioner
 - c. Additional Commissioner
 - d. Nobody
21. Duty on exported items will charged @ of _____ %
 - a. 17
 - b. 16
 - c. 15
 - d. 0
22. Drawback of duty may be allowed on _____.
 - a. Any goods used in the manufacture of any goods

- Jobs Test Preparation
- manufactured in and exported out of Pakistan
- Any goods shipped as provision or stores for consumption on board a ship or aircraft proceeding to a destination outside Pakistan
 - Goods imported in and then exported to Afghanistan
 - Both A & B

23. The duty already paid on goods specified in _____ Schedule and used directly as input goods for the manufacture or production of such goods shall be deducted from the amount of duty calculated on such goods.
- 1st
 - 2nd
 - 3rd
 - 4th

24. _____ pay default surcharge @ 12% per annum
- If a person does not pay duty due
 - If a person receives a inadmissible refund
 - If a person receives inadmissible adjustments
 - All of above

25. The value and the rate of duty applicable to any goods or services shall be the value, retail price, tariff value and the rate of duty in force:
- In the case of goods, on the date on which the goods are supplied for export or for home consumption
 - The case of service, on the date on which the services are provided or rendered
 - In the case of goods produced or manufactured outside the areas to which this Act has been applied and brought to such areas for sale or

consumption therein, the date on which the goods are brought to those areas.

d. All of the above.

ANSWER KEY

1	a	6	b	11	a	16	a	21	d
2	d	7	e	12	d	17	a	22	d
3	d	8	C	13	c	18	b	23	a
4	d	9	A	14	a	19	b	24	d
5	a	10	A	15	c	20	d	25	d

MCQs FED-III

- Every person who collected or collects any duty which is not payable or paid in excess and the incidence of same has been passed on the consumer shall pay the duty to the _____
 - Federal Government
 - Consumer
 - Taxpayer
 - Bank
- The duty on goods shall be assessed and paid on the basis of value as determined in accordance with the _____
 - Sales Tax Act
 - Income Tax Act
 - Customs Act
 - All of the above.
- The duty on services shall be paid on total amount of charges for the _____ including the ancillary facilities or utilities.
 - Goods
 - Services
 - Rendering
 - Provision
- The duty on imported goods shall be paid in accordance with the value of goods determined under _____
 - Sales Tax Act
 - FED ACT
 - Customs Act
 - Income Tax Act
- Where any goods are chargeable to duty on the basis of retail price, duty thereon shall be paid on the retail price fixed by the _____ inclusive of all duties, charges and taxes, other than _____
 - Manufacturer, Importer

- Jobs Test Preparation
- Manufacturer, Sales Tax payable u/s 3
 - Manufacturer, Income Tax
 - None of the above.
6. If more than one prices are prescribed for a dutiable product, than duty will be leveled on _____ and shall be legibly printed on the packing
- Lower
 - Higher
 - Average
 - Middle
7. For the purpose of levying and collecting duty on goods, _____ may fix the minimum price of any goods or class of goods
- Commissioner
 - Chief Commissioner
 - The Board
 - The Government
8. A person already registered in _____ is not required to obtain separate registration for excise purpose.
- Income Tax
 - Sales Tax
 - Wealth Tax
 - All of the above.
9. Where any person has not paid or short paid or has been refund the amount of duty, the such person shall be issued within _____ years notice requiring him to show cause for payment of such duty.
- 1
 - 2
 - 3
 - 5
10. No penalty under the Federal Excise Act 2005 can be levied without _____

- Jobs Test Preparation
- a Notice
 - b Reminder
 - c Showcase
 - d All of above
- 11 All goods imported, produced or manufactured in Pakistan and services provided or rendered except such goods and services as are specified in _____ shall be exempt from whole excise duty
- a 1st Schedule
 - b 2nd Schedule
 - c 3rd Schedule
 - d None of the above.
12. Every person registered for the purpose of this excise duty shall maintain and keep for a period of _____ years at his business premises or registered office the following record:
- i. Record of clearance and sales made indicating the description, quantity and value of goods, name and address of the person to whom sales were made
 - ii. Records of goods purchased showing the description, quantity and value of goods, name, addresses and registration number of the supplier, and the amount of duty paid.
 - iii. Records of goods cleared and sold without payment of duty
 - iv. Records of invoices, bills, accounts, agreements, contracts, orders and other allied business matters
 - v. Record relating to gate passes
 - vi. Records of production, stocks and inventory
 - vii. Records of imports and exports

- viii. Record specified by the board
- b. 2
 - c. 3
 - d. 5
 - e. 6
13. Serially numbered invoice under FED will be issued at the time of clearance or sale of goods. It will contain:
- a. Name, address, registration number of the seller
 - b. Name, address, registration number of the buyer
 - c. Date of issue of the invoice
 - d. Amount of excise duty
 - e. All of above.
14. Penalty for non-filing of FED returns is _____
- a. 5000
 - b. 50000
 - c. 10000
 - d. None of the above
15. Penalty for non-payment or short payment of FED is higher of the Rs _____ or 5% of the duty involved.
- a. 5000
 - b. 10000
 - c. 50000
 - d. None of the above.

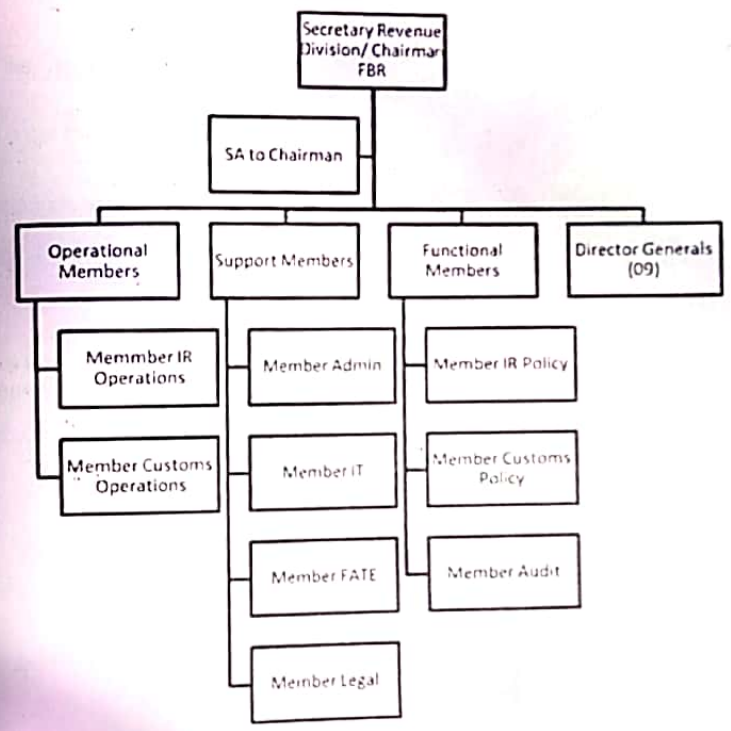
ANSWER KEY

1	a	7	c	13	e
2	a	8	b	14	a
3	c	9	d	15	b
4	c	10	c		
5	b	11	a		
6	b	12	e		

INTRODUCTION TO FBR & TAX ADMINISTRATION

The Central Board of Revenue (CBR) was created on April 01, 1924 through enactment of the Central Board of Revenue Act, 1924. In 1944, a full-fledged Revenue Division was created under the Ministry of Finance. After independence, this arrangement continued up to 31st August 1960 when on the recommendations of the Administrative Re-organization Committee, FBR was made an attached department of the Ministry of Finance. In 1974, further changes were made to streamline the organization and its functions. Consequently, the post of Chairman FBR was created with the status of ex-officio Additional Secretary and Secretary

Finance was relieved of his duties as ex-officio Chairman of the FBR. In order to remove impediments in the exercise of administrative powers of a Secretary to the Government and effective formulation and implementation of fiscal policy measures, the status of FBR as a Revenue Division was restored under the Ministry of Finance on October 22, 1991. However, the Revenue Division was abolished in January 1995, and FBR reverted back to the pre-1991 position. The Revenue Division continues to exist since from December 01, 1998. By the enactment of FBR Act 2007 in July 2007 the Central Board of Revenue has now become Federal Board of Revenue.



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Sir Victor Turner being the first Secretary of Finance also served as first head of Pakistan's revenue agency from 1947 to 1950. Victor Turner was a Christian Leader of Pakistan Movement. He was appointed by Liaqat Ali Khan.

Functions of FBR / Revenue Division

In the existing setup, the Chairman, FBR being the executive head of the Board as well as Secretary Revenue Division has the responsibility for

1. Formulation and administration of fiscal policies.
2. Levy and collection of federal taxes
3. Quasi-judicial function of hearing appeals.

His responsibilities also involve interaction with the offices of the President, the Prime Minister, all Economic Ministries as well as trade and industry.

FBR Wings

- Inland Revenue
- Customs
- FATE (Facilitation and Tax Payer Education Wing)
- SPR&S
- Legal
- Audit
- Admin & HRM
- Enforcement & WHT
- Accounting
- Information Technology

Inland Revenue Wing

Domestic Taxes, comprising Income Tax, Sales Tax and Federal Excise Duty, constitute about 90% of the Revenue

collected by FBR. These taxes are not only similar in essence, but also are interdependent in practice. The time-tested international tenor vindicates the same. The assimilation of these taxes into a single administrative structure was imminent since long, but never in the history of the Pakistan's Economy, was the need so great for the materialization of this change. Spurred by these exigencies and with a view to apply the modern taxation techniques to improve the tax to G.D.P ratio, the Inland Revenue Wing of the FBR was created, combining the three domestic taxes.

It is expected that the inception of this wing would facilitate the taxpayers, as it would provide them to carry through their tax matters in one organizational structure. The creation of this wing would also be conducive for the tax administration, as the access to the taxpayer's data in respect of different domestic taxes would be easily available.

Role/ Functions

- ADR matters - Income Tax/ Sales Tax
- FTO matters - Income tax / Sales Tax
- Legal matters, Appeals and Court Cases
- Parliament business
- Cabinet matters
- Coordination on Income Tax and Sales Tax matters, including:-
- Taxpayers Registration for Income Tax and Sales Tax
- Board in Council
- Conferences
- Matters pertaining to rewards for detection of tax evasion
- Matters pertaining to PRAL

- Matters pertaining to reforms/ restructuring/ re-organization
- Assignment and monitoring of collection targets of Income Tax, Sales Tax and FED.
- Matters pertaining to I. Tax/ S. Tax/ FED Jurisdiction.
- Matters pertaining to Income Tax/ Sales Tax refunds.
- Authorization of banks for collection of revenue

Acronyms:

- Alternate Dispute Resolution Committee (ADRC)
- Federal Tax Ombudsman (FTO)
- Regional Tax Office (RTO)
- Large Taxpayer Unit (LTU)
- Pakistan Revenue Automation (Pvt.) Ltd (PRAL)
- Tax Administration Reforms Program (TARP)
- Medium Taxpayer Unit (MTU)
- Executive Committee of the National Economic Council (ECNEC)
- Integrated Tax Management System (ITMS)
- Value added tax (VAT)
- Statutory Regulatory Order (SRO)
- RGST (Reformed General Sales Tax)

Reforms in FBR

Background

In June, 2000 GOP appointed a Task Force on Reforming the Tax Administration. This Task Force presented its report in May, 2001 which was shared with stakeholders to include trade bodies, accounting institutes, tax bar associations and donor agencies for framing an implementation strategy in the light of viable recommendations from the concerned stakeholders.

GoP initiated a Tax Administration Reforms Program (TARP) in FBR in the year 2005 to achieve objectives to include overall increase in the revenue collection for achieving fiscal targets, increase in tax to GDP ratio through broadening of the tax base; strengthening audit and enforcement procedures through professional capacity building of FBR officials; ensuring more equitable & transparent application of tax laws through provision of high quality tax services.

Consequent to these reports and discussions with various opinion makers FBR prepared a tax reform strategy, which was approved by GOP in November, 2001. The reform strategy had three main planks

(a) Policy reforms (simple laws, universal self-assessment, elimination of exemptions, less dependence on withholding taxes, effective dispute resolution mechanism)

(b) Administrative reforms [(i) transforming income tax organization on functional lines (ii) re-engineering of manual processes of all taxes with the aim to reduce face to face contact between taxpayers and tax collectors, increasing effectiveness of FBR and improve skills and integrity of the workforce and facilitation of taxpayers]

(c) Organizational reforms (Organizational reforms also included

re-organization of FBR on functional lines, reduction in number of tiers and reduction in workforce).

Objectives of Reforms in Tax Administration

- Overall increase in the revenue collection and contribute to the achievement of fiscal targets;
- Increase in tax to GDP ratio;
- Collection of optimum tax revenues;
- Broadening of the tax base;
- Strengthening audit and enforcement procedures
- Guarantee fairer and more equitable application of tax laws;
- Increase in transparency and integrity;
- Improve effectiveness, responsiveness and efficiency;
- Facilitate & promote voluntary compliance with tax laws;
- Provide transparent and high quality tax services

Component of Reforms

Management and Institutional Development

- Organizational Design
- Human Resource Management
- Training
- Improving Professional Ethics
- Internal Audit Function
- Internal Affairs and Vigilance Function

Improving Revenue Operations

- Direct Taxes
- Sales Tax

Strengthening Revenue Services

- Establishing Audit Function
- Establishing Collection & Enforcement Function
- Establishing National Intelligence and Risk management Function
- Establishing Custom and Tax Fraud Function

Tax Compliance Culture

- Establishing Taxpayers Identification, Registration, Return Processing and Accounts Function
- Establishing Facilitation and Tax Education Function
- Impact Evaluation, Quality Assurance and Monitoring

Adopting Responsive IT Systems

- HQ Information Systems
- Direct Tax Information System
- Sales Tax Information System
- Customs Information system

Infrastructure Up-gradation and Development

Program Management and Implementation

Track and Trace System

The Track and Trace Solution is to be rolled out across the Tobacco, Cement, Sugar and Fertilizer Sectors from 1st July 2021 in Pakistan with a view to enhancing tax revenue, reducing counterfeiting and preventing the smuggling of illicit goods through the implementation of a robust, nationwide, electronic monitoring system of production volumes and by the affixation of more than 5 billion tax stamps on various products at the production stage, which will enable FBR to track the goods throughout the supply chain.

WHAT IS THE PURPOSE OF THE TTS?

The TTS system is being implemented to:

- Safeguard the interests of tax revenue collection
- Act as a deterrent to tax fraud
- Reduce illicit trade and counterfeiting
- Ensure a level playing field for all stakeholders in notified sectors

WHAT IS THE MANDATE FOR THE TRACK AND TRACE SYSTEM?

Section 40C of the Sales Tax Act, 1990 read with Chapter XIV-B of the Sales Tax Rules, 2006 mandate FBR to implement "monitoring or tracking of production, sales, clearance, stocks or any other related activity through electronic...means."

WHAT IS A UIM?

UIM stands for Unique Identifying Mark, it is the tax stamp. The term "UIM" and "tax stamp" are synonymous and used interchangeably.

WHICH PRODUCTS MUST BE STAMPED?

All products that are manufactured/imported in the notified sectors, including Tobacco, Cement, Sugar and Fertiliser.

WHICH TOBACCO PRODUCTS MUST BE STAMPED AT THE INCEPTION OF THE TTS?

The initial focus will be on packs of cigarettes. FBR will notify manufacturers/importers when additional tobacco product categories will become part of the TTS.

WHERE DOES THE STAMP NEED TO BE LOCATED ON TOBACCO?

The stamp needs to be applied over the package opening such that opening the pack of cigarettes

Inland Revenues Guide

Jobs Test Preparation

destroys the UIM. However, FBR will work with the manufacturer to confirm the location that meets this requirement and is readily accessible based upon the packaging line equipment in use.

WHERE DOES THE STAMP NEED TO BE LOCATED ON CEMENT, SUGAR AND FERTILISER PRODUCTS?

The stamp needs to be applied on the surface of the product in a location that is most accessible based upon the presentation of the bags to the applicator.

WHAT DO THE MANUFACTURERS/IMPORTERS NEED TO PROVIDE?

Manufacturers/Importers will need to provide:

- High speed internet connectivity
- Suitable location for the installation of equipment
- Isolated power terminal point of 220v 15 Amp.
- Floor space for the UIM applicator
- Additional detail will be provided in the Tri-Partite Agreement.

HOW ARE THE STAMPS AFFIXED BY MANUFACTURES/IMPORTERS?

Stamps are affixed using an automated applicator.

Manufacturers/Importers may also contact the manufacturer of automated applicators directly to procure the applicators.

WHAT HAPPENS WHEN THE PRODUCTION MONITORING SYSTEM GOES DOWN?

The production monitoring system contains an external storage device. If network connectivity is lost, the system will continue to operate and will upload

the data when the connection is restored.

A help desk operating is also available to address any technical issues. Technical issues that cannot be resolved remotely will be addressed with an onsite visit to troubleshoot and restore operability.

HOW DO THE STAMPS NEED TO BE STORED?

Stamps need to be stored in a dry, climate-controlled environment between 5 degrees Celsius to 30 degrees Celsius, with relative humidity less than 50%.

WHAT ARE THE SUITABLE TEMPERATURES FOR STAMP APPLICATION?

The stamps can be applied to products that are in the range of 5 degrees Celsius to 90 deg Celsius.

HOW WILL THE STAMPS BE DELIVERED?

The stamps will be delivered by secure truck logistics to the premises of the manufacturer/importer specified at the time of order.

WHAT IS THE DELIVERY TIME FOR THE STAMPS?

The stamps will be delivered within fourteen (14) days from the order approval date.

ARE TOBACCO EXPORTERS REQUIRED TO ORDER SEPARATE SET OF STAMPS FOR EXPORT GOODS?

For Tobacco manufacturers that already comply with exporting requirements to countries requiring tax stamps, an additional export UIM is not required.

Tobacco manufacturers producing product for export to a country that does not already have a tax stamp program, will be required to purchase

and apply Export UIMs. These UIMs have a different appearance, but the same size, as compared to the domestic tobacco tax stamps.

INLAND REVENUE ENFORCEMENT NETWORK (IREN)

SRO 250(1)/2019 dated 26-2-2019 provides for Track and Trace System for licensing, tracking and tracing of following specified goods:

- a. Tobacco Products
- b. Beverages
- c. Sugar
- d. Fertilizer,
- e. Cement
- f. Petroleum Products

Sub-rule 150ZQN and 150 ZQO of SRO 250(1)/2019 requires establishment of Inland Revenue Enforcement Network to combat illicit tobacco trade. Accordingly, IREN was established on 19-9-2019 which is functional for tobacco/cigarettes products only.

FISCAL POLICY OF PAKISTAN

Public Revenue: To run a country the government needs revenue. This revenue is generated through many sources but taxes are predominantly the most significant of all.

Sources of public revenue

The word revenue can be defined as receipt or return from any source.

Public revenue means receipts of state. It includes all money receipts of the government but does not include government debt.

The sources of public revenue are broadly divided into two categories;

- (I) tax revenue
- (II) non tax revenue

Introduction: (What is taxation)

Taxation has always been a vital part of any modern society. From time immemorial, we have been seeing governments taxing their citizens in order to finance their expenditure and for other constructive purposes. Tax structure of any country plays pivotal role in the country's economic development. Revenue collection is not the sole purpose of tax system but it is also a tool that is utilized to reinforce or eliminate activities and pursuits that are determined by legal system.

To tax (from the Latin taxo; "I estimate") is to impose a financial charge or other levy upon a taxpayer (an individual or legal entity) by a state or the functional equivalent of a state such that failure to pay is punishable by law.

Tax is described as follows:-

"A tax is a compulsory payment levied by the government on individuals or companies to meet the expenditure which is required for public welfare"

"In this world, nothing is certain but death and taxes"

-Benjamin Franklin

Different classification of taxes

- (1) **Direct and indirect taxes:** see glossary for definitions
- (2) **Progressive and Proportional taxes:**

If tax is charged as a fixed percentage of income, consumption, value of asset or whatever may be the case of it is called proportional tax.

Progressive taxes are those taxes whose rate increases with increase in the value of commodity, asset or income on which it is imposed. Most common progressive taxes are indirect taxes.

- (3) **Regressive and Degrassive:**

A regressive tax is just opposite of progressive tax. We can define a regressive tax as a tax whose tax rate falls with the increase in income.

A degressive tax, on the other hand, is one which least affects the higher income groups. This may be a progressive tax with rate of progression declining with increase in income.

Canons of Taxation:

Adam Smith in his book "The Wealth of Nations" came up with some standard characteristics that any country's tax laws must possess in order to be perceived fair in the eyes of the citizens of that country. Those characteristics were:

- **Ability to Pay:** Any person should be liable to pay that amount of tax which he is capable of paying. No person should be subjected to more burden than he can bear.

- **Convenience:** The time and place of paying tax should be extremely convenient so that the taxpayer should not have any undue difficulty in paying the tax that he is liable to pay.

- **Economy in Collection:** The costs that shall be incurred in collecting the taxes should be minimized in order to allow the government to collect as much net revenue as it can.

- **Certainty:** The tax laws of a country should not be complicated and the tax collector must not have the power to charge extra tax or reduce any person's tax liability.

Public Finance and Fiscal Policy

Public finance deals with the income and expenditures of public authorities. It describes the ways of acquiring income by the government and then allocating it to different heads of public expenditure. The income and expenditure of public authorities means money receipts and money payments.

The operations of public finance cause transfer of purchasing power, variations in total purchasing power and consequential changes in the use of economic resources. The result of all these operations is the changes that take place in the amount and in the nature of the wealth produced and distributed among the classes. The system of public finance which secures the maximum social advantage from its operations is the best system.

The word fiscal is derived from the Latin word "fiscus" which means a rope basket into which the public moneys were put.

Fiscal policy is defined as

"The discipline which deals with the public household, that is, with revenues and expenditures to the public treasury."

"Fiscal policy deals with the determination of the structure of taxes and government expenditure and the methods of financing a budgetary deficit or allocating a budgetary surplus to achieve certain macroeconomic objectives."

"Fiscal policy involves the government changing the levels of taxation and government spending in order to influence Aggregate Demand (AD) and the level of economic activity."

AD is the total level of planned expenditure in an economy ($AD = C + I + G + X - M$)

Types of fiscal policy

- (1) **Expansionary fiscal policy:**

A fiscal policy is called expansionary when government deliberately increases its expenditures or reduces its taxes to combat recession.

- (2) **Contractionary fiscal policy:**

A fiscal policy is called contractionary when government willingly decreases its expenditures or increases its taxes to combat inflation.

Objectives of fiscal policy

- Achievement of full employment
- Economic stability
- Resource allocation
- Mobilization of resource
- Equitable distribution of income

Fiscal policy is an important and potential tool for economic stabilization. It has achieved importance over the previous decade as an instrument for macroeconomic stabilization in response to global financial crises.

Fiscal Indicators as Percentage of GDP

Year	Overall Fiscal Deficit	Expenditure			Revenue		
		Total	Current	Development	Total Revenue	Tax	Non Tax
FY 2008	7.3	21.4	17.4	4	14.1	9.9	4.2
FY 2009	5.2	19.2	15.5	3.5	14	9.1	4.9
FY 2010	6.2	20.2	16	4.4	14	9.9	4.1
FY 2011	6.5	18.9	15.9	2.8	12.3	9.3	3
FY 2012	8.8	21.3	17.3	3.9	12.8	10.2	2.6
FY 2013	8.2	21.5	16.4	5.1	13.3	9.8	3.5
FY 2014	5.5	20	15.9	4.9	14.5	10.2	4.3
FY 2015	5.3	19.6	16.1	4.2	14.3	11	3.3
FY 2016	4.6	19.9	16.1	4.5	15.3	12.6	2.7
FY 2017	5.8	21.3	16.3	5.3	15.5	12.4	3
FY 2018	6.5	21.6	16.9	4.7	15.1	12.9	2.2
FY 2019	9	21.9	18.7	3.2	12.9	11.7	1.1
FY 2020	8.1	23.2	20.5	2.9	15.1	11.4	3.7
FY 2021	7.5	22.9	20	2.9	15.9	12.1	3.9

Structure of Federal Taxes

Year	Total (FBR)	Tax Rev. as % of GDP	Direct Taxes	Indirect Taxes			Total
				Customs	Sales	Excise	
FY2006	713.5	8.7	225.0	138.4	294.8	55.3	488.5
			[31.5]	{28.3}	{60.3}	{11.3}	[68.5]
FY2007	847.2	9.2	333.7	132.3	309.4	71.8	513.5
			[39.4]	{25.8}	{60.3}	{14.0}	[60.6]
FY2008	1008.1	9.5	387.9	150.7	377.4	92.1	620.2
			[38.5]	{24.3}	{60.9}	{14.9}	[61.5]
FY2009	1161.1	8.8	443.5	148.4	451.7	117.5	717.6
			[38.2]	{20.7}	{62.9}	{16.4}	[61.8]
FY2010	1327.4	8.9	526.0	160.3	516.3	124.8	801.4
			[39.6]	{20.0}	{64.4}	{15.6}	[60.4]

FY	Total Revenue	Tax	Non Tax	Expenditure			Total Revenue	Tax	Non Tax			
				Total	Current	Development						
FY2011	1558.2	8.5	602.5	184.9	633.4	137.4	955.7	[38.7]	{19.3}	{66.3}	{14.4}	[61.3]
FY2012	1882.7	9.4	738.4	216.9	804.9	122.5	1,144.3	[39.2]	{19.0}	{70.3}	{10.7}	[60.8]
FY2013	1946.4	8.7	743.4	239.5	842.5	121.0	1,203.0	[38.2]	{19.9}	{70.0}	{10.1}	[61.8]
FY2014	2254.5	9.0	877.3	242.8	996.4	138.1	1,377.3	[38.9]	{17.6}	{72.3}	{10}	[61.1]
FY2015	2589.9	9.4	1,033.7	306.2	1,087.8	162.2	1,556.2	[39.9]	{19.7}	{69.9}	{10.4}	[60.2]
FY2016	3112.7	10.7	1,217.3	404.6	1,302.7	188.1	1,895.4	[39.1]	{21.3}	{68.8}	{9.9}	[60.9]
FY2017	3367.9	10.6	1,344.2	496.8	1,329.0	197.9	2,023.7	[39.9]	{24.5}	{65.7}	{9.8}	[60.1]
FY2018	3843.8	11.1	1,536.6	608.4	1,485.3	213.5	2,307.2	[39.7]	{26.4}	{64.4}	{9.3}	[60.0]
FY2019	3828.5	10.1	1,445.5	685.6	1,459.2	238.2	2,383.0	[37.8]	{28.8}	{61.2}	{10.0}	[62.2]
FY2020	3997.4	9.6	1,523.4	626.6	1,596.9	250.5	2,474.0	[38.1]	{25.3}	{64.5}	{10.1}	[61.9]
FY2021B/E	4963.0	10.9	2,043.0	640.0	1,919.0	361.0	2,920.0	[41.2]	{21.9}	{65.7}	{12.4}	[58.8]

B.E: Budget Estimates,

[] as % of total taxes,

{ } as % of Indirect taxes

Source: Federal Board of Revenue

Debt Profile of Pakistan In Dollar Terms			90
A	Public Debt	73.9	6.1
	Government external Debt		
	Long Term	73	
	Short Term	0.8	
B	From IMF	7.6	4.6
	Foreign Exchange Liabilities	8.6	
C	Public Sector Enterprises	5.2	11
	Gauranteed Debt	0.9	
D	Banks	2.3	4
	Borrowing	2.3	
E	Private Sector	0	116
	Gauranteed Debt	11	
Debt Liabilities to Direct Investors			4
A+B+C+D+E Total External Debt & Liabilities			116

Source: State Bank of Pakistan

FISCAL POLICY MCQS

- Fiscal Policy deals with _____
 - Spending
 - Expenditure
 - Revenue Collection
 - Taxes
 - All of above.
- Fiscal Policy is used by the government to _____ in the country.
 - Budget
 - Spending and Revenues
 - Influence the economy
 - All of above.
- Fiscal Deficit is the gap between:
 - Revenue and Expenditures
 - Imports and Exports
 - Reserves and Borrowings
 - None of the above.
- Fiscal Deficit is measured in terms of % of _____.
 - Gross Domestic Product
 - Country's borrowings
 - Country's reserves
 - All of the above.
- Fiscal Policy Statement is prepared as requirement under _____.
 - Revenue and Expenditures
 - Imports and Exports
 - Reserves and Borrowings
 - None of the above.

- Fiscal Responsibility and Debt Limitation Act 2005
 - Public Finance Management Act 2019
 - Finance Act
 - Income Tax Ordinance 2001
- Fiscal Policy Statement is laid before _____.
 - National Assembly
 - Senate
 - President
 - Prime Minister
 - Fiscal Policy Statement answers:
 - Total Expenditure & Total Net Revenue
 - Total Fiscal Deficit
 - Total Fiscal Deficit Excluding Foreign Grants
 - Total Public Debt & Per Capita Debt
 - All of Above.
 - Total tax revenue for the year 2021-22 has been estimated to be _____ Rs.
 - 5500 Billion
 - 5,829 Billion
 - 5800 Billion
 - 6010 Billion
 - The total revenue receipts for the FY 2021-22 have been estimated to be _____ Rs.
 - 7,908 Billion
 - 7708 Billion
 - 6608 Billion
 - 7508 Billion
 - The total budgetary outlay for the FY 2021-22 is _____ Rs.
 - 10,262 Billion
 - 10,500 Billion
 - 10363 Billion
 - 10793 Billion
 - The total Jobs Test Preparation for the FY 2021-22 have been estimated to be _____ Rs.
 - 9,124 Billion
 - 8124 Billion
 - 7124 Billion
 - 6124 Billion
 - The total development expenditure for the FY 2021-22 have been estimated to be _____ Rs.
 - 1127 Billion
 - 1137 Billion
 - 1227 Billion
 - 1237 billion
 - Provincial share in federal taxes is Rs _____ Billion for the FY 2021-22.
 - 3242
 - 3411
 - 3324
 - 3900
 - The government has planned to raise Rs _____ from external sources (Debt) for the FY 2021-22.
 - 2700
 - 2747
 - 2827
 - 2847
 - Fiscal Deficit for the last financial year has been _____.
 - 7% -7.5 %
 - 8%
 - 9%
 - 6%
 - The budget deficit stood at Rs3,375 billion or _____ percent of GDP for the fiscal year 2019-20
 - 9%
 - 8.1 %
 - 7.5 %
 - 6 %
 - The total external debt has reached to the tune of _____ Billion USD

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- 18 The Government's domestic debt is around _____ billion PKR.
- 26725
 - 28725
 - 29725
 - 30725
- 19 Pakistan's total debt is _____ billion PKR.
- 43445
 - 45470
 - 46445
 - 47455
- 20 The latest average yearly figure for Inflation (SPI) is _____.
- 11.2
 - 12.2
 - 14.2
 - 10
- 21 Ease of Doing Business ranking of Pakistan is _____ for the latest year.
- 136
 - 108
 - 118
 - 128
- 22 Pakistan's Score on Corruption Perception Index is 31 whereas rank in the index is _____.
- 108
 - 116
 - 124
 - 134
- 23 _____% is Pakistan's GDP growth rate.
- 4.9
 - 3.9
 - 2.9
 - 1.9

24. _____ % is Pakistan's trade deficit for the outgoing fiscal year.

- 33.9
- 32.9
- 30
- 29

ANSWER KEY

1	e	6	a	11	a	16	b	21	b
2	d	7	e	12	b	17	c	22	d
3	a	8	c	13	B	18	b	23	b
4	a	9	b	14	B	19	b	24	a
5	a	10	a	15	A	20	a		

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Glossary of Terms

- Bank Borrowing
- Capital Receipts
- Community Services Receipts
- Current Expenditure
- Development Expenditure
- Disbursements
- External Resources
- Grants
- Gross Revenue Receipts
 - Includes borrowing from the State Bank of Pakistan and Scheduled Banks
 - Income from proceeds of borrowing, money received in repayment of loans, recoveries of advances and investments, proceeds of savings schemes, net receipts from transactions under deposit, and remittances
 - Income from rents of government buildings, land, guest houses, and hostels, etc.
 - Include interest payments, pension, defense affairs & services, grants & transfers, subsidies, and running of civil government
 - Include federal PSDP, development loans & grants to provinces, and other development expenditure (outside PSDP)
 - Government investments, loans, advances and others, and repayment of short term credit
 - Include project loans, foreign loans & credits, and foreign grants
 - Financial support to provinces, organizations, and industries for contingent liability, to fulfill losses, remission of loans, etc.
 - Sum of tax revenue and non-tax revenue (before excluding provincial share)
- Internal Resources
- Net Capital Receipts Net Revenue Receipts Non-Tax Revenue
- Other Development Expenditure
- Provincial Share
- Provincial Surplus
- Resources
- Social Service Receipts
- Tax Revenue Total Outlay / Expenditure
 - Include net revenue receipts, net capital receipts, and estimated provincial surplus
 - Capital receipts *minus* disbursements Gross revenue receipts *minus* provincial share

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Income from property and enterprises; receipts from civil administration and other functions; and miscellaneous receipts of the federal ministries, divisions and departments

Other development expenditure comprises development expenditure of Federal Government outside the PSDP

Provincial share in federal taxes and straight transfers

Provincial government deposits with State Bank of Pakistan

Include internal and external financial resources

Fee charged from students of the institutions under administrative control of government and from medical services provided by federal government hospitals and health institutions; and tuition fee / training fee charged by Human Resource Division

Income from direct and indirect taxes

Includes current expenditure and development expenditure

Ad Valorem Taxes: Taxes levied as a percentage of the price of a good or service.

Bridge Financing: It is a method of financing used to maintain liquidity while waiting for an anticipated inflow of cash.

Budget: A financial statement of government's estimated revenues and expenditures for the fiscal year.

Budget Outlay: Total estimate of receipts and expenditures from the sources and for the purposes indicated in the budget.

Budget Deficit: Excess of government expenditures over revenues raised by taxes, fees and charges levied by governmental authorities.

Capital Gains: Increases in the value of assets over a given accounting period.

Current Revenue Expenditure: Current Revenue Expenditure includes expenditures on government's regulatory, administrative and other such functions including provision of social and economic services.

Debt Finance: Use of borrowed funds to finance government expenditures.

Direct Tax: Direct tax is a tax the burden of which is born entirely by the individual or the entity that pays it and it cannot be passed elsewhere; for example corporate tax, income tax etc.

Dividends: Direct payments by a corporation to its share holders.

Domestic Debt: Debt owed to the creditors residing in the same country as the debtor

External Debt: Portion of a government's debt owed to the foreigners / external governments and institutions

Federal Divisible Pool: The biggest source of revenue for the Provincial Government is its share from the Federal Divisible Pool of Taxes. The Divisible Pool comprises of taxes on income, wealth tax, capital value tax, taxes on sales and purchases, export duty on cotton, customs duties, GST (CE Mode) and federal excise duties excluding the excise duty on gas charged at well-head, and any other tax which may be levied by the Federal

Government. With the exception of federal excise duty on gas, Jobs Test Preparation above are distributed between the Provinces and the Federal Government.

Federal Transfers: A payment made by the Federal Government to the province either out of the Federal Divisible Pool or for other social benefit programs

Fiscal Capacity: Fiscal capacity is a measure of the ability of a jurisdiction / government to finance government services.

Fiscal Equalization: Use of grants to adjust for differences in the capacity to finance basic government services amongst states / governments.

Fiscal Federalism: Division of taxing and expenditure functions amongst different levels of government.

Foreign Debt: The money one country owes to another country as a result of loan and / or a negative balance of trade.

Historical Cost: Acquisition price of the asset.

Indirect Tax: A charge levied by the state on consumption, expenditure, privilege or right but not on income or property. Custom duties levied on imports, excise duties on production, sales tax or value added tax at some stage in production - distribution process are few examples of Indirect Tax.

Incremental Budgeting: Budgetary approach that uses the previous period's budget or actual performance as a base with incremental amounts added for the new period.

Inflation: In economic terms, inflation is a general increase in prices and fall in the purchasing value of money.

Land Revenue: Land Revenue means all sums and payments in money received or legally claimable by or on behalf of the Government from any person on account of any form of land.

MTBF: Medium Term Budgetary Framework (MTBF) is a multiyear approach to budgeting which links the spending plans of the government to its policy objectives in medium term (usually three years)

Nominal Value: Nominal value refers to a value expressed in money of the day (year etc.) as opposed to real value which adjusts for the effect of inflation on the nominal value.

Overdraft: An overdraft is a state where the withdrawals exceed the available balance.

Property Tax: A government levy based on the market value as assessed by assessing agency or based on certain formulas / parameters. It is a capital tax on property, calculated on the estimated value of the property

Public Debt: Public Debt is the total liability arising from the borrowings of the government including both domestic loans and foreign (or external) loans.

Public Finance: Field of economics that studies government activities, alternative means of financing government expenditures and their effects upon the economies in general.

Tax Revenue: It is a compulsory financial contribution imposed by the Government to raise revenue. It is levied on a specified rate on income or property, prices of goods and services etc

Transfer Payments: Government expenditures that redistribute purchasing power amongst citizens.

SENTENCE COMPLETION

(Fill in the Blanks)

Directions: Each of the questions below contains blank space indicating an omitted word. Each sentence is followed by four lettered words. Read and determine the general sense of each sentence. Then choose the word which, when inserted best fits in the sentence, best fits the meaning of the sentence.

Sentence Completion Guide Line

1. First, read the sentence carefully to get a feel for its meaning.
2. Before you look at the choices think of a word that makes sense.
3. Look at all the possible answers before you make your final choice.
4. Watch out for negative words and prefixes.
5. Use your knowledge of context clues to get at the meanings of unfamiliar words.
6. Break down unfamiliar words into recognizable parts.
7. Watch for signal words that link one part of the sentence to another.
8. Look for words that signal the unexpected.

1. You must apply _____ the judge for pardon.
(a) to (b) with (c) upon (d) over
2. I insisted _____ my fee paid.
(a) to have (b) on having (c) to having (d) in having
3. I am intent _____.
(a) to win (b) of winning (c) on winning (d) for winning
4. Death is preferable _____ dishonour.
(a) than (b) to (c) from (d) of
5. The officer waited until the clerks _____ busily.
(a) worked (b) were working (c) had worked (d) are working
6. If I _____ worked hard, I would have passed.
(a) would have (b) had (c) should have (d) have
7. You _____ respect your parents and teacher.
(a) should (b) would (c) should have (d) would have
8. The child _____ crying for three hours.
(a) is (b) has (c) has been (d) have been
9. If I _____ more time, I would have checked my paper again.
(a) had (b) have (c) had had (d) have had
10. We _____ friends since we were children.
(a) had been (b) have been (c) are (d) were
11. If one know the facts one _____ not be so quiet to criticize.
(a) could (b) can (c) would (d) will
12. Whatever he does is always contrary _____ my wishes.
(a) with (b) from (c) to (d) for
13. I am astonished _____ his behaviour.
(a) to (b) from (c) with (d) on

14. **Jobs Test Preparation**
He told me that he was not familiar _____ that subject.
(a) to (b) on
(c) with (d) about
15. She _____ for Karachi three days ago.
(a) left (b) is leaving
(c) had left (d) will leave
16. In one fierce battle the enemy were completely wiped _____.
(a) out (b) off
(c) away (d) over
17. All communication with outside world has been cut _____.
(a) out (b) away
(c) down (d) off
18. You will feel better when you _____ that tooth out.
(a) had (b) have
(c) have had (d) will have had
19. When he _____ his hair cut, he went to the cinema.
(a) has had (b) have had
(c) will have had (d) had had
20. If you wait here; I _____ if the Manager is in.
(a) would see
(b) will have seen
(c) would have seen
(d) will see
21. I would like to have the newspaper as soon as you _____ it.
(a) finished (b) are finish
(c) will finish (d) have finished
22. He was quite able _____ after himself.
(a) to looking (b) for looking
(c) to look (d) of looking
23. Her fears were first _____ when her son did not come here.
(a) arise (b) arisen
(c) arouse (d) aroused
24. I _____ him for a long time.
(a) am not met (b) did not meet
(c) do not meet (d) have not met
25. He _____ satisfactory progress in the school.
(a) makes (b) has made
(c) had made (d) is making
26. He was _____ a member of Assembly.
(a) formerly (b) formally
(c) lastly (d) old
27. That new law went into _____ last month.
(a) affect (b) effect
(c) action (d) selection
28. The _____ from the mountain is dangerous.
(a) decent (b) descent
(c) ascent (d) jump
29. The _____ of the rocket was so swift that it was out of sight in a few seconds.
(a) assent (b) ascent
(c) descent (d) jump
30. Thermometer is a _____ to measure one's temperature.
(a) philosophy (b) conviction
(c) device (d) tendency
31. What a _____ you were not hurt in the accident.
(a) prayers (b) praise
(c) blessing (d) consecration
32. His argument is quite _____.
(a) sickly (b) unconvincing
(c) fragile (d) infirm
33. So long you are not well avoid _____ exercise.
(a) strong (b) lusty
(c) vigorous (d) powerful
34. We were caught in the storm and got _____.
(a) soaked (b) drenched
(c) damped (d) moistened
35. Govt must hold a _____ inquiry.
(a) intelligent (b) judicial
(c) sensible (d) discreetly
36. The _____ of the headlights of the car almost blinded me.
(a) shine (b) glare
(c) dazzle (d) luminosity
37. The chair is in the garden; please _____ it.
(a) bring (b) fetch
(c) carry (d) transport
38. Urge people who smoke to _____ the habit.
(a) surrender (b) abandon
(c) discontinue (d) desert

39. Napoleon's army was completely _____ in the battle of Waterloo.
(a) annihilated (b) destroyed
(c) repeated (d) finished
40. We have _____ trust in you.
(a) perfect (b) entire
(c) imperative (d) absolute
41. You must _____ enough evidence to ensure his conviction.
(a) hoard (b) store
(c) rallied (d) accumulate
42. The government was _____ of incompetence.
(a) charged (b) accused
(c) impeached (d) censured
43. The jury _____ him of murder.
(a) discharged (b) acquitted
(c) absolved
44. You must _____ yourself to the new conditions.
(a) Adopt (b) Adept
(c) Adapt (d) Convert
45. Face _____ with courage.
(a) misery (b) poverty
(c) adversity (d) affliction
46. The Govt must _____ the suffering of the people.
(a) ally (b) allay
(c) rid (d) palliate
47. The police arrested him and his one _____.
(a) friend (b) colleague
(c) accomplice (d) operator
48. He _____ our help.
(a) resents (b) recants
(c) remove (d) resign
49. We will do our work _____.
(a) latter (b) later
(c) long (d) after
50. Here is a _____ for chocolate cake.
(a) receipt (b) recipe
(c) formula (d) technique
51. Get a _____ for the merchandise.
(a) recipe (b) receipt
(c) slip (d) letter
52. I have no _____ motive in offering this advice; I seek no personal advantage.
(a) ulterior (b) nominal
(c) disinterested (d) incongruous
53. It is _____ that students do not repay their loans. **Jobs Test Preparation**
(a) laudable (b) unfortunate
(c) unforgivable (d) regrettable
54. It became _____ that he was going to die.
(a) visible (b) distinct
(c) apparent (d) manifest
55. Those cottages _____ perfectly with the landscape.
(a) mix (b) blend
(c) unite (d) compound
56. Failing the exam was a _____ disappointment to him.
(a) sour (b) tart
(c) bitter (d) acrid
57. You must _____ after hard work.
(a) relax (b) repose
(c) compose (d) depose
58. After his operation he was _____ to bed for a week.
(a) circumscribed (b) cramped
(c) confined (d) limited
59. He was fined Rs.100 for _____ driving.
(a) lavish (b) prodigal
(c) reckless (d) unthrifty
60. The sea at that time was perfectly _____.
(a) harmonious (b) concordant
(c) calm (d) in agreement
61. He felt great _____ for his daughter.
(a) affection (b) affectation
(c) love (d) defection
62. Nadim met a _____ accident and died at the spot.
(a) fatal (b) fateful
(c) crucial (d) fating
63. Although buses are _____ to depart at a certain hour, they are often late.
(a) scheduled (b) requested
(c) obligated (d) loaded
64. Because light travels faster than sound lightning appears to _____ thunder.
(a) prolong (b) traverse
(c) go before (d) repel
65. If one helps a criminal, he is also considered _____ of the crime.
(a) suspicious (b) daring
(c) guilty (d) culpable

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66. The Supreme Court has a reputation for being ____.
- (a) stubborn (b) capricious
(c) just (d) humorous
67. The ____ motion of the earth as it turns on its axis creates the change of seasons.
- (a) ancient (b) rhythmic
(c) leisurely (d) perpetual
68. If the teams were not so evenly matched, it would be easier to ____ the outcome of the match.
- (a) argue (b) predict
(c) discuss (d) influence
69. They refuse to ____ defeat.
- (a) grant (b) yield
(c) own (d) acknowledge
70. All the family members will get together on the ____ day of Eid.
- (a) suspicious (b) obvious
(c) auspicious (d) conspicuous
71. Advertisement will ____ your sale.
- (a) boost (b) hoist
(c) lift (d) aid
72. We ____ ourselves for difficult times.
- (a) prop (b) support
(c) brace (d) Refresh
73. I can not ____ that he would wish to harm us.
- (a) hatch (b) produce
(c) breed (d) conceive
74. Getting this contract is ____ to the future of our company.
- (a) humane (b) crucial
(c) reciprocal (d) brutal
75. There was a lot of hustle and ____ in the market.
- (a) bustle (b) stir
(c) flutter (d) ado
76. Rashid walked boldly upto the platform without ____.
- (a) faltering (b) flexible
(c) unsteady (d) wavering
77. It is ____ to steal.
- (a) sinful (b) corrupt
(c) immoral (d) wicked
78. We must ____ this accord.
- (a) greet (b) hail
(c) salute (d) receive
79. You must show ____ for our teachers.
- (a) reverence (b) adoration
(c) homage (d) veneration
80. The book is out of print and difficult to ____.
- (a) achieve (b) procure
(c) acquire (d) attain
81. His knowledge of the subject is ____.
- (a) expensive (b) extensive
(c) spacious (d) spatial
82. The war has seriously ____ attempts to achieve peace.
- (a) impaired (b) attenuated
(c) enfeebled (d) declined
83. Vitamin ____ can lead to illness.
- (a) shortage (b) deficiency
(c) poverty (d) want
84. He often ____ from the subject while lecturing.
- (a) rambles (b) roams
(c) digresses (d) ranges
85. There is ____ among the members of the party.
- (a) contention (b) discord
(c) battle (d) war
86. Do not keep asking me what to do; use your own ____.
- (a) unconstrained (b) voluntary
(c) discretion (d) gratuitous
87. The description of the accident given by him was quite ____.
- (a) bright (b) vivid
(c) glaring (d) telling
88. We can not ____ any of our territory.
- (a) exceed (b) accede
(c) concede (d) precede
89. In the hot sun the surface of the road seems wet, but that is only an ____.
- (a) illusion (b) allusion
(c) delusion (d) conclusion
90. An ____ agreement was reached between both the parties.
- (a) amiable (b) amicable
(c) likeable (d) desirable
91. This disease is ____; do not sit near him.
- (a) contagious (b) contiguous
(c) infectious (d) touchy

92. He has ____ all the miseries heroically.
- (a) born (b) borne
(c) bane (d) boon
93. His ____ simplicity is one of his qualities.
- (a) childish (b) childlike
(c) infantile (d) puerile
94. I do not have any ____.
- (a) confident (b) confidant
(c) confidential (d) confederate
95. My land is ____ to your Land.
- (a) contagious (b) contiguous
(c) infectious (d) touchy
96. I ____ have to remind him of his responsibilities.
- (a) continuedly (b) continuously
(c) continually (d) persistently
97. Time alone will ____ those unpleasant memories.
- (a) efface (b) deface
(c) erase (d) wipe away
98. He is ____ for promotion.
- (a) illegible (b) legible
(c) eligible (d) ineligible
99. An announcement of further increase in taxes is ____.
- (a) imminent (b) eminent
(c) immanent (d) permanent
100. He has ____ knowledge of the subject.
- (a) exceptional
(b) exceptionable
(c) exhaustible (d) exhaustive
101. God is kind and ____ to all sinners who repent.
- (a) graceful (b) gracious
(c) gaseous (d) guessful
102. He flew into a ____ when I would not lend him any money.
- (a) overt (b) sporadic
(c) furtive (d) fury
103. ____ is a person who produces works of art, especially paintings.
- (a) beautician (b) writer
(c) artistic (d) artisan
104. About fifty workers were declared ____ by the factory management.
- (a) adulatory (b) avid
(c) rhetorical (d) redundant
105. He is such an ____ that he's sure he will soon find a job.
- (a) pessimist (b) optimist
(c) philanthropist (d) profiteer
106. Government did not realize the ____ of people's feeling on this issue.
- (a) fragments (b) attrition
(c) intensity (d) barbarism
107. Your remarks are not ____ to the matter we are discussing.
- (a) pertinent (b) prolix
(c) prolonged (d) acrimonious
108. His ____ capacity for food was abnormal.
- (a) venal (b) venial
(c) voracious (d) veracious
109. The price of food here is ____.
- (a) askance (b) exorbitant
(c) outlandish (d) usury
110. The reduction of unemployment should be ____ in government's economic policy.
- (a) paragon (b) paramount
(c) paradox (d) partition
111. Enemy movement on the border look a bit ____.
- (a) acute (b) ominous
(c) unusual (d) insipid
112. There seems to be a ____ of good young players at the moment.
- (a) plague (b) series
(c) plethora (d) dearth
113. When the hotel burned down, fifty people died in the ____.
- (a) sirocco (b) typhoon
(c) maelstrom (d) holocaust
114. He could not ____ the incident from his memory.
- (b) emboss
(c) exculpate (d) expunge
115. Union leader tried to calm down ____ workers.
- (a) turbid (b) turgid
(c) torpid (d) turbulent
116. Because of his ____ personality he is always very difficult to handle.
- (a) voluble (b) volatile
(c) voluptuous (d) expensive

117. A ___ of the medal was put on show at the museum.
(a) fable (b) facsimile
(c) allegory (d) cosmos
118. Heavy ___ were reported in the battle.
(a) depreciation (b) despoliation
(c) obsolescence (d) casualties
119. Slavery is the ___ of freedom.
(a) oxymoron (b) paradox
(c) metaphor (d) antithesis
120. He keeps forgetting things: I think he is getting _____.
(a) feeble
(b) an octogenarian
(c) forgetful
(d) senile
121. At its ___ the Roman empire covered almost the whole of Europe.
(a) equinox (b) nadir
(c) zenith (d) solstice
122. He worked ___ for ten years to make the project successful.
(a) deliberately (b) assiduously
(c) ingenuously (d) deliriously
123. Honest poverty is better than dishonest _____.
(a) riches wealth (b) person
(c) wealth (d) work
124. We should try to avoid one who is brave in words but not in _____.
(a) actions (b) reaction
(c) job (d) fighting
125. Meekness is more attractive than _____.
(a) sickness (b) naughtiness
(c) laziness (d) clumsiness
126. Some flowers bloomed, while others _____.
(a) withered (b) delivered
(c) gathered (d) scattered
127. A legislation was passed to punish brokers who ___ their clients funds.
(a) defalcate (b) devastate
(c) devour (d) embezzle
128. Non-violence is the law of saints as violence is the law of the _____.
(a) coward (b) foolish
(c) brute (d) ignorant

129. Beauty is to ugliness and adversity is to _____.
(a) prosperity (b) cowardice
(c) miser (d) happiness
130. He said that there was no going back because his decision was _____.
(a) palatable (b) peremptory
(c) premeditated (d) revolutionary
131. The average height of Himalayas is twenty thousand feet, and Mount Everest ___ to more than twenty-nine thousand feet at its apex.
(a) raise (b) rises
(c) roses (d) arises
132. Political dissidents complained of being ___ by the police.
(a) capitulated (b) desecrated
(c) minimized (d) harassed
133. He became very ___ and started arguing with me angrily.
(a) subservient (b) truculent
(c) pellucid (d) stringent
134. Praise always ___ him to make greater efforts.
(a) bores (b) stimulates
(c) entices (d) enervates
135. The results of this policy will remain ___ for some times.
(a) outstanding (b) dubious
(c) impressive (d) remarkable
136. Your conduct is most _____.
(a) reprobate (b) recidivist
(c) reprehensible (d) regurgitate
137. Knowledge is like a deep well fed by ___ springs and your mind in the little bucket that you drop in it.
(a) external (b) perennial
(c) immortal (d) inexhaustible
138. The ___ arguments put forth for not disclosing the facts did not impress anybody.
(a) specious (b) intemperate
(c) spurious (d) convincing
139. Wasim was so good at Mathematics that his friends considered him to be a _____.
(a) prodigy (b) prodigal
(c) primeval (d) profligate

140. The controversy is likely to create ___ between the two rivals.
(a) doubt (b) amity
(c) bitterness (d) revenge
141. He suggest that the meeting ___ postponed.
(a) be (b) is
(c) must (d) would be
142. Everyone in this universe is accountable to God ___ his actions.
(a) of (b) against
(c) for (d) about
143. I don't know ___ to value your qualities.
(a) only how (b) how
(c) so how (d) that how
144. So many servants attended ___ him during his illness.
(a) on (b) with
(c) at (d) upon
145. ___ the events of Aslam's resigning his job, his family would starve.
(a) in (b) on
(c) at (d) within
146. The principal along with the students ___ gone on the picnic.
(a) has (b) have
(c) were (d) are
147. Neither the officer nor the clerks ___ absent.
(a) was (b) were
(c) have been (d) are
148. He never ___ and never will do such a work.
(a) has (b) has done
(c) had done (d) is done
149. If a ruby is heated it ___ lose its colour.
(a) would (b) will
(c) does (d) had
150. Lahore is a city of gardens _____.
(a) doesn't it (b) isn't it
(c) hasn't it (d) didn't it
151. He's been elected _____.
(a) hasn't he (b) didn't he
(c) isn't he (d) doesn't he
152. Though Aslam is poor, ___ he is honest.
(a) but (b) nevertheless
(c) yet (d) still
153. Penguins an aquatic birds ___ twenty years.
(a) since (b) before
(c) for (d) from
154. The jaw structure of a snake permits it to eat much larger than.
(a) it (b) itself
(c) its (d) it has
155. The task seemed impossible but some-how Rashid ___ very skillfully in the end.
(a) pulled it up (b) pulled it off
(c) pulled it away (d) pulled it out
156. It is important that the office ___ your registration.
(a) will confirm (b) confirm
(c) confirms (d) must confirm
157. We ___ go to movies quite frequently.
(a) used to (b) was used to
(c) used (d) was used to be
158. He ___ get up early.
(a) used (b) used to
(c) is used to (d) was used to be
159. We congratulate him _____.
(a) on his success
(b) for his success
(c) at his success
(d) in his success
160. Like human, animals must have a dentist ___ their teeth.
(a) fill (b) filled
(c) filling (d) to be filled
161. ___ owe much of their success as a group to their unusual powers of migration.
(a) That birds (b) A bird
(c) The bird (d) Birds
162. If teaching ___ more, fewer teachers would leave profession.
(a) pays (b) is paying
(c) paid (d) had paid
163. The belief in life after death is prevalent in both primitive societies ___ advanced culture.
(a) and (b) and in
(c) and also (d) also

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164. It is usually _____ lava but gas that kills people during volcanic eruptions.
(a) not only (b) not
(c) neither (d) no
165. _____ the Gulf stream is warmer than the ocean water surrounding it.
(a) wholly (b) whole
(c) as a whole (d) a whole as
166. He worked _____, because he aspired to stand first in the examination.
(a) very hard (b) harder
(c) much hard (d) the harder
167. Although we often use "speed" and "velocity" interchangeably, in a technical sense "speed" is not always _____ "velocity".
(a) alike (b) the same as
(c) similar (d) as
168. Prices for bikes can run _____ Rs.3000/-.
(a) as high as (b) as high to
(c) so high to (d) so high as
169. The greater the demand, _____ the price.
(a) higher (b) high
(c) the higher (d) the high
170. A seventeen-year-old is not _____ to vote in an election.
(a) old enough
(b) as old enough
(c) enough old
(d) enough old as
171. _____ is necessary for the development of strong bones and teeth.
(a) It is calcium (b) That calcium
(c) Calcium (d) Although calcium
172. The examiner made us _____ our identification in order to be admitted to the test center.
(a) showing (b) show
(c) showed (d) to show
173. This legend has been _____ from father to son.
(a) handed down (b) handed for
(c) handed in (d) handed over
174. By the twenty-first century, the computer _____ a necessity in every home.
(a) became
- (b) becoming
(c) has become
(d) will have become
175. _____ at 212 degrees F and freezes at 32 degrees F.
(a) Waters boils (b) The water boils
(c) Water boils (d) Water boil
176. The bacteria in milk is destroyed when _____ to at least 62°C.
(a) it be heated (b) it heated
(c) it is heated (d) it will be heated
177. We were _____ by the result.
(a) surprise (b) surprised
(c) surprising (d) to surprise of
178. The laboratory has a _____ of equipment.
(a) large amount (b) large number
(c) little amount (d) big amount
179. The general public _____ a large number of computers now, because prices are beginning to decrease.
(a) must buy (b) must have bought
(c) must be buying (d) must buying
180. He _____ a few steps when it started raining.
(a) had hardly taken (b) hardly took
(c) hardly taken (d) taken hardly
181. You _____ care of your health.
(a) had better to take (b) had better take
(c) had better taken (d) had taken better
182. Unless protected areas are established, the Bengal tiger, the blue whale, face _____ of extinction.
(a) possible (b) the possibility
(c) to be possible (d) possibly
183. If water is heated to 212 degrees F. _____ as steam.
(a) it will boil and escape
(b) it is boiling & escaping
(c) it boil and escape
(d) it would boil and escape
184. These days transport _____ faster and easier than ever before.
(a) will become (b) can become
(c) becomes (d) is becoming

185. I _____ your work. Please remind me.
(a) had forgotten (b) forget
(c) forgot (d) have forgotten
186. I _____ on this topic for some time before I realised my mistake.
(a) am speaking
(b) have been speaking
(c) speak
(d) had been speaking
187. If Napoleon had not invaded Russia, he _____ the rest of Europe.
(a) had conquered
(b) would conquer
(c) would have conquered
(d) conquered
188. No one _____ which college he will join.
(a) would know (b) know
(c) can know (d) knows
189. I _____ on this topic for some time before I realised my mistake.
(a) am speaking
(b) have been speaking
(c) have spoken (d) spoke
190. Can you tell me _____
(a) where does he live (b) where he lives
(c) where is he living (d) where has he lived
191. I ran quickly _____ late.
(a) not in order to be
(b) in order to be not
(c) in order not to be
(d) in order to not be
192. I _____ trouble with my bicycle these days.
(a) have been experiencing
(b) experience
(c) have been experienced
(d) experienced
193. When the clock struck six o'clock, I _____ here for over an hour.
(a) have waited
(b) ha to wait
(c) shall have waited
(d) had been waiting.
194. I _____ a lie if I ever said that I liked you.
(a) was telling
(b) have been telling
(c) would have been telling
(d) would have told
195. He asked the teacher if he _____ with that pen.
(a) shall write (b) can write
(c) is writing (d) would write
196. I will sing if he _____.
(a) will ask me (b) shall ask me
(c) asks me (d) were ask me
197. I will meet him when he _____.
(a) will come (b) had come
(c) would have come (d) comes
198. When your body does not get _____ it can not make the glucose it needs.
(a) enough food
(b) food as enough
(c) food enoughly
(d) enough the food
199. Many chemicals react _____ in acid solutions.
(a) more quickly
(b) more quick
(c) quicklier
(d) as quickly more
200. It is now believed that some damage to tissues may result _____ them to frequent X-rays.
(a) the exposing
(b) from exposing
(c) from exposure
(d) expose

ANSWERS

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1.	a	24	d	47.	c	70.	c	93.	b	116.	b	139.	a	162.	c	185.	a
2.	b	25	b	48.	a	71.	a	94.	b	117.	b	140.	c	163.	a	186.	b
3.	c	26	a	49.	b	72.	c	95.	b	118.	d	141.	a	164.	b	187.	c
4.	b	27.	b	50.	b	73.	c	96.	c	119.	d	142.	c	165.	c	188.	d
5.	b	28.	b	51.	b	74.	b	97.	a	120.	d	143.	b	166.	d	189.	b
6.	b	29.	b	52.	a	75.	a	98.	c	121.	c	144.	a	167.	b	190.	b
7.	a	30.	c	53.	b	76.	a	99.	a	122.	b	145.	a	168.	a	191.	c
8.	c	31.	c	54.	c	77.	c	100.	d	123.	c	146.	a	169.	c	192.	a
9.	c	32.	b	55.	b	78.	b	101.	b	124.	a	147.	b	170.	a	193.	b
10.	b	33.	b	56.	c	79.	a	102.	d	125.	b	148.	a	171.	c	194.	d
11.	c	34.	a	57.	a	80.	b	103.	d	126.	a	149.	b	172.	b	195.	c
12.	c	35.	b	58.	c	81.	b	104.	d	127.	d	150.	b	173.	a	196.	c
13.	c	36.	c	59.	c	82.	a	105.	b	128.	c	151.	a	174.	d	197.	d
14.	c	37.	b	60.	c	83.	b	106.	c	129.	b	152.	c	175.	c	198.	a
15.	a	38.	b	61.	a	84.	c	107.	a	130.	c	153.	c	176.	b	199.	a
16.	a	39.	a	62.	a	85.	b	108.	c	131.	b	154.	b	177.	b	200.	b
17.	d	40.	d	63.	a	86.	c	109.	b	132.	d	155.	d	178.	b		
18.	b	41.	d	64.	c	87.	b	110.	b	133.	b	156.	b	179.	c		
19.	d	42.	b	65.	d	88.	c	111.	b	134.	b	157.	a	180.	a		
20.	d	43.	b	66.	c	89.	a	112.	d	135.	b	158.	b	181.	c		
21.	d	44.	c	67.	d	90.	b	113.	d	136.	c	159.	a	182.	b		
22.	c	45.	c	68.	b	91.	a	114.	d	137.	b	160.	a	183.	a		
23.	d	46.	b	69.	d	92.	b	115.	d	138.	a	161.	d	184.	d		

SYNONYMS

Jobs Test Preparation

Directions: Each of the following questions consists of a word printed in bold letters, followed by four lettered words. Choose the lettered word that is most nearly same in meaning to word printed in bold letters.

- A**
1. **Abandon**
(a) pursue (b) give up (c) collect (d) hunt
 2. **Abate**
(a) rebate (b) lessen (c) essence (d) obvious
 3. **Abbreviation**
(a) medium form (b) long form (c) short form (d) Para phrase
 4. **Abdicate**
(a) turn aside (b) refuse (c) disperse (d) to resign
 5. **Abduct**
(a) kidnap (b) deliver (c) collect (d) pickup
 6. **Abolish**
(a) nullify (b) build (c) erase (d) disappear
 7. **Abortive**
(a) consuming (b) unsuccessful (c) financing (d) familiar
 8. **Abscond**
(a) abstract (b) remain (c) conceal one self (d) fabricate
 9. **Absolute**
(a) complete (b) conditional (c) discharge (d) discarded
 10. **Absolve**
(a) penalize (b) discharge (c) digest (d) concentrate
 11. **Abstinence**
(a) department (b) vulgar display (c) restrained eating or drinking (d) reluctance
 12. **Absurd**
(a) ridiculous (b) prudent (c) seize (d) bountiful
 13. **Abundance**
(a) scarcity (b) plenty (c) excess (d) access
 14. **Access**
(a) an elongated addition (b) means of entering (c) large surplus (d) a keeping in repair
 15. **Accommodate**
(a) escort (b) oblige (c) workout (d) confront
 16. **Accomplice**
(a) friend (b) fatalist (c) companion in crime (d) hardworking
 17. **Accretion**
(a) ban (b) increase (c) protection (d) ceremony
 18. **Accrue**
(a) come about by addition (b) reach summit (c) create a crisis (d) process
 19. **Accumulate**
(a) to select (b) to collect (c) to pile (d) to stock
 20. **Accuse**
(a) rigorous (b) ensue (c) blame (d) perform
 21. **Acidulous**
(a) witty (b) realistic (c) slightly sour (d) very generous
 22. **Acknowledge**
(a) conclude (b) recognize (c) adapt (d) refuse
 23. **Acquaintance**
(a) familiarity (b) ignorance (c) connection (d) intelligent
 24. **Acquit**
(a) master (b) yield (c) apprise (d) discharge
 25. **Acute**
(a) absolve (b) intense (c) obtain (d) inform
 26. **Adamant**
(a) good natured (b) lovely (c) stubborn (d) ugly
 27. **Adapt**
(a) accustom (b) realize (c) combine (d) takeover

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28. **Addict**
 (a) habituated (b) predict
 (c) resist (d) persist
29. **Adequate**
 (a) loathe (b) loan
 (c) enough (d) complete
30. **Adhere**
 (a) give up (b) stick
 (c) criticise (d) appear
31. **Adjacent**
 (a) contiguous (b) cutt off
 (c) sharpened (d) lazy
32. **Admiration**
 (a) respect (b) disregard
 (c) hate (d) flattery
33. **Adorable**
 (a) attractive (b) booring
 (c) adjustable (d) permissible
34. **Adorn**
 (a) decorate (b) accept
 (c) affiliate (d) dispose
35. **Adroit**
 (a) interested (b) eff.cient
 (c) skilful (d) amusing
36. **Adulterate**
 (a) to cook partially
 (b) to add water (c) smoke foods
 (d) to poor the quality by adding
 another substance
37. **Adversary**
 (a) trouble (b) opponent
 (c) companion (d) subordinate
38. **Adverse**
 (a) not eager (b) to the point
 (c) not connected (d) opposite
39. **Adversity**
 (a) opponent (b) hardship
 (c) opening (d) agency
40. **Affectation**
 (a) pretense (b) reality
 (c) standing (d) adverse
- effect
41. **Affiliate**
 (a) annex (b) justify
 (c) antique (d) support
42. **Affinity**
 (a) liking (b) similarity
 (c) connection (d) resemblance
43. **Afflict**
 (a) assert (b) daze
 (c) distress (d) append

44. **Affluence**
 (a) fear (b) wealth
 (c) persuasion (e) neglect
45. **Aftermath**
 (a) solicitous (b) declaration
 (c) consequences (d) predisposition
46. **Agast**
 (a) down cost (b) pleased
 (c) happy (d) horrified
47. **Aggravate**
 (a) to make good (b) to make
 worrse (c) to advise (d) to runaway
48. **Aggression**
 (a) attack (b) revenge
 (c) lazy (d) hard
- working
49. **Agitate**
 (a) arouse (b) tranquillise
 (c) torture (d) pecify
50. **Agony**
 (a) anguish (b) peace
 (c) injury (d) fury
51. **Alienate**
 (a) to join with (b) sicken
 (c) estrange (d) banish from the country
52. **Align**
 (a) motivate (b) desert
 (c) join (d) depart
53. **Alleviate**
 (a) mollify (b) aggravate
 (c) dissolve (d) replace
54. **Alliance**
 (a) marriage (b) separation
 (c) depart (d) unite
55. **Allocate**
 (a) appropriate (b) assuage
 (c) gather (d) condemn
56. **Allude**
 (a) pass (b) refer
 (c) limit (d) allow
57. **Allure**
 (a) to respect (b) tempt
 (c) seek (d) decorate
58. **Allusion**
 (a) fantasy (b) baseless
 (c) fact (d) reference
59. **Ally**
 (a) friend (b) colleague
 (c) partner (d) companion

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60. **Amalgamate**
 (a) to crush
 (b) separate
 (c) combine into uniform whole
 (d) melt
61. **Amateur**
 (a) professional
 (b) non-professional
 (c) artist (d) layman
62. **Ambition**
 (a) desire (b) ordinary
 (c) supplement (d) uphold
63. **Ambitious**
 (a) enterprising (b) contented
 (c) greedy (d) selfish
64. **Amenities**
 (a) accessories (b) concession
 (c) agreements (d) pleasant qualities
65. **Amicable**
 (a) friendly (b) hostile
 (c) heterogeneous (d) adjustable
66. **Analogue**
 (a) final report (b) catalogue
 (c) similar to other (d) detailed
- summary
67. **Anguish**
 (a) confuse (b) pain
 (c) torment (d) anxiety
68. **Animate**
 (a) gladden (b) humiliate
 (c) enliven (d) misbehave
69. **Animosity**
 (a) enmity
 (b) moral strength
 (c) disunity
 (d) piety
70. **Annex**
 (a) to reduce (b) construct
 (c) add to (d) explain
71. **Annihilation**
 (a) total destruction (b) digestion
 (c) insult (d) of any
72. **Anonymous**
 (a) attributed (b) unidentified
 (c) designated (d) popular
73. **Antagonize**
 (a) obliterate (b) winover
 (c) obsolescent (d) offend
74. **Anticipate**
 (a) misdate (b) hostility
 (c) lookforward (d) alienate
75. **Antipathy**
 (a) hostility (b) disliking
 (c) unsystemic (d) apathy
76. **Anxiety**
 (a) apprehension (b) tranquility
 (c) carelessness (d) fury
77. **Anxious**
 (a) concerned (b) eager
 (c) negligent (d) heedless
78. **Apology**
 (a) evade (b) approval
 (c) request (d) retire
79. **Appease**
 (a) aggravate (b) soothe
 (c) taunt (d) agonise
80. **Applaud**
 (a) clap (b) chat
 (c) laugh (d) contribute
81. **Apprehend**
 (a) tear (b) fear
 (c) shear (d) catch
82. **Apprehension**
 (a) prediction (b) appreciation
 (c) persecution
 (d) feeling of anxiety
83. **Appropriate**
 (a) confiscate (b) release
 (c) praise (d) obscure
84. **Aptitude**
 (a) attitude (b) multitude
 (c) tendency (d) typical
85. **Arbitrary**
 (a) unorthodox (b) friendly
 (c) autocratic (d) courtly
86. **Arbitrator**
 (a) refined (b) referee
 (c) domineering (d) perceptible
87. **Arrogant**
 (a) autocratic (b) survive
 (c) determined (d) noble
88. **Ascend**
 (a) consent (b) dismount
 (c) rise (d) depart
89. **Ascent**
 (a) highest point
 (b) verbal agreement
 (c) act of rising
 (d) consent
90. **Asinine**
 (a) stupid (b) witty
 (c) composed (d) depressed

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91. **Aspire**
 (a) roughness (b) dream
 (c) ambition
 (d) sarcastic remark
92. **Aspiration**
 (a) ambition (b) stimulous
 (c) annoyance
 (d) insulting remark
93. **Assent**
 (a) resent (b) consent
 (c) steep climb (d) a going
- down
94. **Assertive**
 (a) diffident (b) distractive
 (c) insistent (d) imaginary
95. **Assimilate**
 (a) adapt (b) segregate
 (c) arrange (d) palliate
96. **Associate**
 (a) delegate (b) stimulate
 (c) separate (d) affiliate
97. **Astonish**
 (a) confound (b) calm
 (c) assert (d) shrewd
98. **Atrocious**
 (a) prudent (b) brutal
 (c) discerning (d) perceptive
99. **Attribute**
 (a) to praise or admire
 (b) study
 (c) give proof of
 (d) assign or ascribe to
100. **Audacity**
 (a) honesty (b) unlimited
 (c) boldness (d) villanus
101. **Augment**
 (a) boost (b) diminish
 (c) degrade (d) respect
102. **Auspicious**
 (a) impressive (b) despairing
 (c) fortunate (d) unfortunte
103. **Authentic**
 (a) legitimate (b) counterfeit
 (c) interesting (d) validated
104. **Averse**
 (a) anxious (b) unwilling
 (c) unhappy (d) unable
105. **Avert**
 (a) hatred (b) avoid
 (c) degenerate (d) fall

106. **Awesome**
 (a) astonishing (b) trivial
 (c) dreadful (d) perilous
- B**
1. **Backbite**
 (a) elude (b) defame
 (c) retract (d) pelt
2. **Backbone**
 (a) firmness (b) withdraw
 (c) calumniate (d) support
3. **Baffle**
 (a) to joke (b) knock about
 (c) confuse (d) resist
4. **Balm**
 (a) soothes (b) covers
 (c) irritates (d) blesses
5. **Banish**
 (a) recall (b) black list
 (c) digest (d) exonerate
6. **Barren**
 (a) infertile (b) generative
 (c) evacuate (d) earthly
7. **Bearing**
 (a) background (b) weight
 (c) difficulty (d) relevance
8. **Beguile**
 (a) to amuse (b) charm
 (c) paralyze (d) lament
9. **Belated**
 (a) overdue (b) punctual
 (c) influential (d) repudiated
10. **Bemuse**
 (a) to tease (b) entertain
 (c) deceive (d) bewilder
11. **Benevolent**
 (a) malevolent (b) insolent
 (c) kind (d) burn
12. **Beneficiary**
 (a) successor (b) devoted
 (c) subordinate (d) mendicant
13. **Benign**
 (a) tenfold (b) peaceful
 (c) blessed (e) gentle
14. **Bewilder**
 (a) mystery (b) enlighten
 (c) frightened (d) confuse
15. **Bias**
 (a) amiable (b) confused
 (c) prejudiced (d) suitable

16. **Bigot**
 (a) racist (b) individual
 (c) strong (d) coward
17. **Bilateral**
 (a) multisided (b) two side
 (c) three side (d) one sided
18. **Bilingual**
 (a) of the brain
 (b) talkative
 (c) clear in expression of ideas
 (d) using two languages
19. **Biofeedback**
 (a) structural analysis
 (b) control of brain waves
 (c) nutrition
 (d) math formula
20. **Bland**
 (a) mild (b) meager
 (c) soft (c) uncooked
21. **Bliss**
 (a) pain (b) pleasure
 (c) slow (d) direct
22. **Blustering**
 (a) speaking loudly
 (b) lying or misleading
 (c) noisily aggressive
 (d) over powering
23. **Boisterous**
 (a) conflicting (b) noisy
 (c) testimonial (d) grateful
24. **Bolster**
 (a) strengthen (b) rest on
 (c) support (d) straddle
25. **Bonafide**
 (a) secured by a bond
 (b) legal document
 (c) in good faith
 (d) vivid
26. **Brace**
 (a) unfasten (b) strengthen
 (c) transpire (d) deliver
27. **Brazen**
 (a) shameless (b) quick
 (c) modest (d) pleasant
28. **Breach**
 (a) buttress (b) sturdy
 (c) opening (d) short
29. **Buckle**
 (a) crumple (b) release
 (c) harras (d) excitement
30. **Buoyance**
 (a) sadness (b) durability
 (c) cheerfulness (d) simplicity

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31. **Bustle**
 (a) flutter (b) dullness
 (c) suppress (d) bargain
- C**
1. **Cache**
 (a) lock (b) hiding place
 (c) tide (d) automobile
2. **Caesarean**
 (a) craftiness
 (b) short tempered
 (c) surgical operation
 (d) outspokenness
3. **Calamity**
 (a) disaster (b) cold weather
 (c) scourge (d) injury
4. **Callous**
 (a) liberal (b) ignorant
 (c) responsible (d) insensitive
5. **Callow**
 (a) rough (b)
 inexperienced
 (c) superficial (d) sticky
6. **Candid**
 (a) honest (b) stubborn
 (c) lazy (d) selfish
7. **Captivate**
 (a) enchant (b) enslave
 (c) repel (d) disparage
8. **Caress**
 (a) erase (b) scratch
 (c) love (d) fondle
9. **Catastrophe**
 (a) disaster
 (b) medical instrument
 (c) adherent
 (d) immense
10. **Cater**
 (a) to control
 (b) degrade oneself
 (c) try to satisfy
 (d) lure on
11. **Catharsis**
 (a) emotional release
 (b) extreme exhaustion
 (c) personality analyses
 (d) exhibition of courage
12. **Cautious**
 (a) vigilant (b) traditional
 (c) clogged (d) reliable
13. **Celebrated**
 (a) function (b) cleared
 (c) famous (d) notorious

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14. **Celebrity**
 (a) dignitary
 (b) self-restrained
 (c) selfrighteous
 (d) humanity
15. **Cellulite**
 (a) lumps under the skin
 (b) electric cell
 (c) insulate
 (d) hair analysis
16. **Censor**
 (a) type of vase
 (b) official who examines information
 (c) consultant
 (d) official incharge of census
17. **Centenary**
 (a) central (b) necessary
 (c) hundred years (d) some period
18. **Centrifugal**
 (a) inward movement
 (b) rapid
 (c) moving away from a centre
 (d) Airjet fuel
19. **Cessation**
 (a) strictness (b) annexation
 (c) stoppage (d) death
20. **Chaos**
 (a) avoid
 (b) abyss
 (c) complete disorder
 (d) order
21. **Characteristic**
 (a) touchy
 (b) distinctive
 (c) trustful
 (d) circumstances
22. **Cherish**
 (a) care for (b) envy
 (c) enjoy (d) digest
23. **Childish**
 (a) simple (b) foolish
 (c) docile (d) rough
24. **Childlike**
 (a) innocent (b) kiddish
 (c) frivolous (d) upbraid
25. **Choke**
 (a) strangle (b) tighten
 (c) throttle (d) stifle
26. **Chronic**
 (a) short lived (b) temporary
 (c) up-tight
 (d) happening continually
27. **Circumstances**
 (a) disposition (b) situation
 (c) composition (d) junction
28. **Cite**
 (a) area (b) analyze
 (c) quote (d) locate
29. **Clinch**
 (a) hamper (b) purify
 (c) grip (d) fetter
30. **Clumsy**
 (a) heavy (b) slow
 (c) awkward (d) harsh
31. **Cluster**
 (a) assembly (b) muddle
 (c) untidiness (d) mixup
32. **Co-incident**
 (a) deliberate (b) chance
 (c) adversity (d) skirmish
33. **Coagulate**
 (a) collect (b) solidify
 (c) melt (d) mix
34. **Coalition**
 (a) intimidation (b) affiliation
 (c) composition (d) intrigue
35. **Coarse**
 (a) elegant (b) unrefined
 (c) passage (d) syllabus
36. **Coax**
 (a) sharp (b) intimidate
 (c) induce (d) glide
37. **Coerce**
 (a) compel (b) cajole
 (c) tempt (d) speculate
38. **Cogent**
 (a) united (b) convincing
 (c) indirect (d) mature
39. **Coherence**
 (a) roughness (b) isolation
 (c) adherence (d) break
40. **Coin**
 (a) stick together (b) simulate
 (c) pay (d) to invent
41. **Coincidence**
 (a) conformity (b)
 (c) disagreement
 (d) teamwork
42. **Collapse**
 (a) downfall (b) smash
 (c) match (d) plague
43. **Collateral**
 (a) key
 (b) secret agreement

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- (c) proposal
 (d) security for a loan
44. **Collision**
 (a) conflict (b) abatement
 (c) association (d) agreement
45. **Collusion**
 (a) consistance (b)
 (c) connivance (d) bustle
46. **Colossal**
 (a) enormous (b) informal
 (c) trivial (d) impact
47. **Combat**
 (a) movement (b) struggle
 (c) fight (d) effort
48. **Combination**
 (a) reconciliation (b) strike
 (c) merger (d)
 memorandum
49. **Commensurate**
 (a) approximate (b) previous
 (c) equal (d) appropriate
50. **Commotion**
 (a) discernment (b) continuity
 (c) disturbance (d) calmness
51. **Compassion**
 (a) gentleness (b) mild
 (c) sympathy (d) eagerness
52. **Compatible**
 (a) Accountable
 (b) not needing adaptations
 (c) organized
 (d) easily understood
53. **Compensation**
 (a) advantage (b) adaptation
 (c) retaliation (d) salary
54. **Compile**
 (a) to analyze (b) enclose
 (c) collect (d) complaint
55. **Complacent**
 (a) self-satisfied (b) disturbed
 (c) proud (d) enforce
56. **Complement**
 (a) which completes
 (b) free
 (c) praise
 (d) respect
57. **Comply**
 (a) disagree (b) agree
 (c) disobey (d) defend
58. **Comprehend**
 (a) perceive (b) apprehend
 (c) understand (d) create
59. **Comprehensive**
 (a) intricate (b) extensive
 (c) mingled (d) abridged
60. **Compromise**
 (a) concession
 (b) compensation
 (c) mediation
 (d) settlement
61. **Concede**
 (a) relinquish (b) contradict
 (c) divulge (d) winover
62. **Conciliate**
 (a) to combine (b) win over
 (c) conform (d) advise
63. **Concise**
 (a) condensed (b) detailed
 (c) redundant (d) elaborate
64. **Concoct**
 (a) to hide (b) deceive
 (c) make up (d) accelerate
65. **Condense**
 (a) thick (b) shorten
 (c) epitomize (d) squeeze
66. **Condone**
 (a) convict (b) embarrass
 (c) forgive (d) interlink
67. **Confer**
 (a) to suggest (b) discuss
 (c) verify (d) give
68. **Confess**
 (a) admit (b) own
 (c) concede (d) refute
69. **Confiscate**
 (a) discuss (b) discover
 (c) seize (d) exist
70. **Conflicting**
 (a) interfering (b) opposite
 (c) jarring (d)
 disagreeable
71. **Conformity**
 (a) agreement (b) ambition
 (c) confinement (d) pride
72. **Confound**
 (a) to assent (b) bewilder
 (c) nullify (d) lie
73. **Confront**
 (a) encounter (b) avoid
 (c) startle (d) embarrass

74. **Conjecture**
(a) explanation (b) pledge
(c) joint (d) guess
75. **Conscientious**
(a) uncorrupt (b) profligate
(c) vile (d) attentive
76. **Consensus**
(a) general agreement
(b) project
(c) insignificance
(d) sheaf
77. **Conserve**
(a) preserve (b) squander
(c) disapprove (d) achieve
78. **Consistency**
(a) harmony (b)
(c) discord (d) reliance
79. **Conspicuous**
(a) hard (b) peculiar
(c) conspirator (d) significant
80. **Contaminate**
(a) arrest (b) prepare
(c) pollute (d) beam
81. **Contemplate**
(a) to infer (b) hesitate
(c) enjoy (d) ponder
82. **Contempt**
(a) attempt (b) hatred
(c) prompt (d) encourage
83. **Contort**
(a) to twist (b) remove
(c) hurt (d) race
84. **Contradict**
(a) to scorn (b) avoid
(c) qualify (d) deny
85. **Contrary**
(a) illegal (b) conflicting
(c) ardent (d) impaired
86. **Controversy**
(a) confrontation (b) settlement
(c) corroboration (d) affiliation
87. **Controvert**
(a) turn over (b) contradict
(c) mind (d) explain
88. **Conversant**
(a) ignorant (b) speaking
(c) incorporated (d) familiar
89. **Cordial**
(a) hearty (b) formal
(c) impair (d) achievable

90. **Counter**
(a) to consider (b) link
(c) oppose
(d) place on top of one another
91. **Counterpart**
(a) playing of different melodies
simultaneously
(b) substitute
(c) difference
(d) duplicate
92. **Course**
(a) to mar (b) shuffle
(c) track (d) flow
93. **Cower**
(a) to flaunt (b) hide
(c) cringe (d) run away
94. **Coy**
(a) brave (b)
(c) sophisticated
(d) shy (d) decisive
95. **Crafty**
(a) adroit (b) naive
(c) grouchy (d) cheerful
96. **Craving**
(a) creating (b) desire
(c) create (d) caught
97. **Crux**
(a) acne (b) spark
(c) events (d) crucial point
98. **Cue**
(a) dive (b) game
(c) hint (d) artificial
99. **Culminate**
(a) to reach the lowest point
(b) to reach in between
(c) to reach the highest point
(d) to reach no where
100. **Culpable**
(a) free (b) guilty
(c) vindicable (d) wholesome
101. **Culprit**
(a) cruel person (b) one who
argues
(c) victim (d) offender
102. **Curdle**
(a) circles (b) boil
(c) put into layers (d) turn sour
103. **Curiosity**
(a) interest (b) indifference
(c) nicety (d) slenderness
104. **Cynical**
(a) mocking (b) mad
(c) foolish (d) amiable

D

1. **Data**
(a) ideas (b) facts
(c) messages (d) statistics
2. **Daunt**
(a) haunt (b) dismay
(c) heartened (d) overawe
3. **Dawdle**
(a) to loiter (b) scribble
(c) wrangle
4. **Deadlock**
(a) standstill
(b) breakthrough
(c) fatal
(d) murderous
5. **Debacle**
(a) confusion
(b) complication
(c) disastrous collapse
(d) rubble
6. **Debase**
(a) disgrace (b) impassive
(c) hamper (d) elevate
7. **Decadent**
(a) corrupt (b) abstemious
(c) collapse (d) depreciate
8. **Decay**
(a) deterioration (b) insecurity
(c) elegance (d) dispute
9. **Deceitful**
(a) fraudulent (b) ingenuous
(c) dissolute (d) embellishing
10. **Deceptive**
(a) ambiguous (b) lazy
(c) useless (d) fanatic
11. **Decipher**
(a) interpret (b) scramble
(c) confuse (d) dissect
12. **Decorum**
(a) dignity (b) rudeness
(c) dispute (d) deterioration
13. **Dedicate**
(a) love (b) transfer
(c) devoted (d) oblige
14. **Deduce**
(a) conclude (b) subtract
(c) derogate (d) deduct
15. **Default**
(a) deform (b) omission
(c) postpone (d) efface

16. **Deference** Jobs Test Preparation
(a) obedience (b) indifference
(c) inference (d) disregard
17. **Defiant**
(a) insolent (b) aggressive
(c) acquiescent (d) scrubbed
18. **Deficient**
(a) deface (b) lacking
(c) discover (d) defective
19. **Deficit**
(a) loing (b) short
(c) useless (d) loss
20. **Delete**
(a) to register (b) to include
(c) to remove (d) to translate
21. **Deliberate**
(a) careful (b) impulsive
(c) exquisite (d) dainty
22. **Diligent**
(a) careful (b) indolent
(c) lazy (d) sullied
23. **Delirious**
(a) crazy (b) culpable
(c) mischievous (d) alluring
24. **Democracy**
(a) republic (b) mobocracy
(c) autocracy (d) aristocracy
25. **Denounce**
(a) condemn (b) commend
(c) discharge (d) demean
26. **Depreciate**
(a) decrease (b) insult
(c) refresh (d) scold
27. **Deprivation**
(a) dissociation (b) displeasure
(c) departure (d) dispossession
28. **Derogatory**
(a) insulting (b) attractive
(c) flattering (d) illustrative
29. **Despair**
(a) dejection (b) rude
(c) optimism (d) vivacity
30. **Despise**
(a) hate (b) instead of
(c) imitate (d) cheat
31. **Despondent**
(a) dejected (b) gay
(c) hopeful (d) impetuous
32. **Despotic**
(a) inflexible (b) destructive
(c) tyrannical (d) fearless

Jobs Test Preparation

- 33. Detention
 - (a) lessening of concentration
 - (b) easing of tension
 - (c) safe keeping
 - (d) act of confining
- 34. Deteriorate
 - (a) to expose to danger
 - (b) scold
 - (c) become worse
 - (d) overthrow
- 35. Deterrent
 - (a) check
 - (b) incentive
 - (c) establish
 - (d) corrupt
- 36. Detrimental
 - (a) harmful
 - (b) ingenious
 - (c) outrageous
 - (d) indicative
- 37. Deviate
 - (a) move away
 - (b) devise
 - (c) divide
 - (d) join
- 38. Devise
 - (a) to amend
 - (b) move
 - (c) plan
 - (d) counsel
- 39. Dexterous
 - (a) dangerous
 - (b) skilful
 - (c) just
 - (d) honest
- 40. Diagnosis
 - (a) identification of an illness
 - (b) prophecy
 - (c) plan
 - (d) likeness
- 41. Dictate
 - (a) delusion
 - (b) learned treatise
 - (c) guiding principle
 - (d) false statement
- 42. Dictatorial
 - (a) offensive
 - (b) wordy
 - (c) cranky
 - (d) domineering
- 43. Diffidence
 - (a) ignorance
 - (b) timidity
 - (c) indifference
 - (d) indolence
- 44. Dilapidated
 - (a) ruined
 - (b) spruce
 - (c) haunted
 - (d) cursed
- 45. Diligent
 - (a) energetic
 - (b) indifferent
 - (c) cranky
 - (d) stubborn
- 46. Dire
 - (a) extreme
 - (b) straight
 - (c) humiliating
 - (d) dreadful
- 47. Disconcert
 - (a) sing in harmony
 - (b) pretend
- (c) cancel programme
- (d) confuse
- 48. Discord
 - (a) an unravelling
 - (b) loss of reputation
 - (c) disagreement
 - (d) interruption
- 49. Discreet
 - (a) separate
 - (b) cautious
 - (c) mixed
 - (d) sensitive
- 50. Discrete
 - (a) charming
 - (b) tactful
 - (c) different
 - (d) inconsiderate
- 51. Discretionary
 - (a) forget to do
 - (b) pay for
 - (c) meet unexpectedly
 - (d) arbitrarily
- 52. Discriminate
 - (a) decide
 - (b) distinguish
 - (c) absolve
 - (d) dispose
- 53. Disgruntled
 - (a) dissatisfied
 - (b) content
 - (c) undecided
 - (d) blockhead
- 54. Disguise
 - (a) impersonate
 - (b) irritate
 - (c) recognize
 - (d) desirous
- 55. Disoriented
 - (a) freed from illusion
 - (b) disorganized
 - (c) excluded from a group
 - (d) having lost a sense of direction
- 56. Disparity
 - (a) argumentation
 - (b) difference
 - (c) belittlement
 - (d) harmony
- 57. Dissent
 - (a) impose
 - (b) disappear
 - (c) disagree
 - (d) disdain
- 58. Distill
 - (a) to puff out
 - (b) separate by evaporation
 - (c) combine or join
 - (d) purify
- 59. Distinct
 - (a) divide
 - (b) clear
 - (c) supreme
 - (d) manage
- 60. Distort
 - (a) distract
 - (b) falsify
 - (c) neglect
 - (d) dislocate
- 61. Distress
 - (a) agony
 - (b) harass
 - (c) distract
 - (d) delirium

E Jobs Test Preparation

- 62. Divest
 - (a) excel
 - (b) exult
 - (c) variety
 - (d) rob
- 63. Divulge
 - (a) look
 - (b) refuse
 - (c) deride
 - (d) reveal
- 64. Docile
 - (a) tame
 - (b) cheat
 - (c) undecided
 - (d) delicious
- 65. Dogmatic
 - (a) benign
 - (b) canine
 - (c) impatient
 - (d) arbitrary
- 66. Doldrums
 - (a) frustration
 - (b) richness
 - (c) ebullience
 - (d) stagnation
- 67. Domestic
 - (a) Residence
 - (b) native
 - (c) inactive
 - (d) exotic
- 68. Domicile
 - (a) home
 - (b) submissive
 - (c) soiree
 - (d) secret file
- 69. Dominate
 - (a) pervert
 - (b) beguile
 - (c) control
 - (d) shroud
- 70. Dormant
 - (a) selective
 - (b) elective
 - (c) inactive
 - (d) effective
- 71. Drain
 - (a) killer
 - (b) taking away
 - (c) poisonous
 - (d) to draw off by degrees
- 72. Dreadful
 - (a) Poisonness
 - (b) horrible
 - (c) illusory
 - (d) lifeless
- 73. Dubious
 - (a) external
 - (b) doubtful
 - (c) straight
 - (d) obvious
- 74. Duplicity
 - (a) two-pronged spear
 - (b) mimeograph
 - (c) hypocrisy
 - (d) candor
- 75. Dwindle
 - (a) plunge
 - (b) decline
 - (c) polish
 - (d) disgrace
- 76. Dynamic
 - (a) energetic
 - (b) strong
 - (c) necessary
 - (d) pure
- 1. Eager
 - (a) careless
 - (b) anxious
 - (c) loath
 - (d) agile
- 2. Earnest
 - (a) emotional
 - (b) expensive
 - (c) determined
 - (d) submissive
- 3. Economical
 - (a) frugal
 - (b) extravagant
 - (c) inordinate
 - (d) expensive
- 4. Economise
 - (a) save
 - (b) squander
 - (c) channelise
 - (d) costing
- 5. Efficient
 - (a) impotent
 - (b) competent
 - (c) categorical
 - (d) engrossed
- 6. Effusive
 - (a) misleading
 - (b) confused
 - (c) overly emotional
 - (d) easily offended
- 7. Eject
 - (a) discharge
 - (b) swallow
 - (c) repel
 - (d) embellish
- 8. Elaborate
 - (a) detailed
 - (b) simple
 - (c) complicated
 - (d) understandable
- 9. Elated
 - (a) debased
 - (b) respectful
 - (c) drooping
 - (d) gay
- 10. Elements
 - (a) terminals
 - (b) parts
 - (c) severe weather
 - (d) options
- 11. Elevate
 - (a) support
 - (b) distress
 - (c) promote
 - (d) elaborate
- 12. Elevated
 - (a) attenuated
 - (b) excited
 - (c) dejected
 - (d) illustrated
- 13. Eligible
 - (a) understandable
 - (b) graceful
 - (c) competent
 - (d) readable
- 14. Elucidate
 - (a) clarify
 - (b) obscure
 - (c) remind
 - (d) recall
- 15. Elusive
 - (a) deadly
 - (b) eloping
 - (c) evasive
 - (d) simple
- 16. Embezzle
 - (a) misappropriate
 - (b) coordinate
 - (c) compensate
 - (d) pileup

17. **Job Test Preparation**
Efficient
 (a) purposeful (b) famous
 (c) delectable (d) curious
18. **Emission**
 (a) warning (b) discharge
 (c) allow (d) leaving
19. **Emphasis**
 (a) importance (b) activity
 (c) bother (d) assistance
20. **Enchanted**
 (a) fascinated (b) fatigue
 (c) repulsed (d) flattered
21. **Encroach**
 (a) to infest (b) sored out
 (c) weaken (d) trespass
22. **Encumber**
 (a) to take control (b) resist
 (c) unload (d) burden
23. **Endeavour**
 (a) attempt (b) precrastinate
 (c) fascinate (d) transfer
24. **Endorse**
 (a) ratify (b) support
 (c) criticise (d) reject
25. **Endure**
 (a) ensure (b) tolerate
 (c) attach (d) delay
26. **Enervate**
 (a) intimidate (b) invigorate
 (c) weaken (d) incite
27. **Engender**
 (a) to expand (b) weaken
 (c) surround (d) cause
28. **Engrossed**
 (a) disturbed (b) absorbed
 (c) fatigued (d) successful
29. **Enhance**
 (a) improve (b) doubt
 (c) scuff (d) gasp
30. **Enigma**
 (a) work (b) problem
 (c) solution (d) question
31. **Enigmatic**
 (a) difficult to understand
 (b) potential
 (c) causing panic
 (d) problem solving
32. **Enmity**
 (a) hostility (b) confidence
 (c) activity (d) timidity

33. **Entail**
 (a) to wrap up (b) necessitate
 (c) conclusion (d) enclose
34. **Enterprise**
 (a) distinguish (b) exasperate
 (c) adventure (d) attenuate
35. **Enthusiastic**
 (a) committed
 (b) apathetic
 (c) inveigle
 (d) advantageous
36. **Entitlement**
 (a) label (b) legal benefit
 (c) tax liability (d) credit limit
37. **Episode**
 (a) incident (b) essence
 (c) introduction (d) finale
38. **Equitable**
 (a) unfair (b) impartial
 (c) oblique (d) righteous
39. **Eradicate**
 (a) enlarge (b) establish
 (c) eliminate (d) validate
40. **Erode**
 (a) to leave (b) wear away
 (c) stimulate (d) stop or end
41. **Erroneous**
 (a) fallacious (b) correct
 (c) gigantic (d)
 unconcerned
42. **Escalate**
 (a) expand (b) diminish
 (c) expell (d) scrape
43. **Evocative**
 (a) extremely demanding
 (b) provoking
 (c) stimulating memories
 (d) speaking clearly
44. **Evolution**
 (a) gradual development
 (b) investigation (c) revelation
 (d) exaggeration
45. **Exaggerate**
 (a) to make great
 (b) overemphasise
 (c) to play
 (d) to magnify
46. **Exalt**
 (a) to oppose (b) specialize
 (c) praise highly (d) exaggerate
47. **Exasperation**
 (a) disgust (b) calmness
 (c) embellish (d) effectuation

48. **Exhilarate**
 (a) energise (b) discourage
 (c) inflame (d) impoverish
49. **Exonerate**
 (a) incriminate (b) absolve
 (c) instigate (d) invigorate
50. **Exorbitant**
 (a) excessive (b) extra
 (c) comprehensive (d) deteriorate
51. **Expedient**
 (a) precise (b) expert
 (c) expendable (d) advisable
52. **Expedite**
 (a) do (b) to complete
 (c) run (d) to do immediately
53. **Expend**
 (a) to spend (b) discredit
 (c) overload (d) be careless
54. **Expose**
 (a) repose (b) depose
 (c) disclose (d) extort
55. **Expound**
 (a) to be angry (b) release
 (c) explain (d) expel
56. **Expunge**
 (a) rationalize (b) purge
 (c) exhale (d) eradicate
57. **Exquisite**
 (a) admirable (b) poor
 (c) adaptable (d) revealing
58. **Extravagant**
 (a) spendthrift (b) miser
 (c) mean (d) provident
59. **Extrinsic**
 (a) external (b)
 extraordinary (c) inborn
 (d) valueless
60. **Extrude**
 (a) to leak (b) force out
 (c) untangle (d) bind

F

1. **Fable**
 (a) real story (b) tale
 (c) distress (d) connect
2. **Facsimile**
 (a) duplicate (b) similar
 (c) refractory (d) real
3. **Fallacious**
 (a) illogical (b) false
 (c) unassuming (d) useless
4. **Fanatic**
 (a) extremist (b) dedicated
 (c) lazy (d) intelligent
5. **Fantasy**
 (a) illusion (b) factual
 (c) excellent (d) comical
6. **Far-Sighted**
 (a) shrewd (b) lethal
 (c) exquisite (d) malicious
7. **Fatal**
 (a) deadly (b) important
 (c) dispensible (d) strange
8. **Faze**
 (a) to upset (b) period
 (c) harm (d) fade away
9. **Feasible**
 (a) theoretical (b) impatient
 (c) practical (d) constant
10. **Feeble**
 (a) frail (b) robust
 (c) meek (d) vigorous
11. **Feign**
 (a) imagine (b) ardour
 (c) strife (d) failure
12. **Ferment**
 (a) to separate (b) press down
 (c) form alcohol (d) bake slowly
13. **Fervour**
 (a) simulate (b) gabble
 (c) eagerness (d) enormous
14. **Fiasco**
 (a) festival (b) lucky stroke
 (c) failure
 (d) state of confusion
15. **Fiction**
 (a) fabrication (b) reality
 (c) sordid (d) volatile
16. **Flimsy**
 (a) sturdy (b) inadequate
 (c) flabby (d) positively
17. **Flounder**
 (a) to mismanage
 (b) come apart
 (c) to struggle awkwardly
 (d) excite or stir up
18. **Flourish**
 (a) wither (b) grow
 (c) flicker (d) agitate
19. **Fluctuate**
 (a) waver (b) agitate
 (c) baffle (d) stagnant

- Jobs Test Preparation
20. **Fluster**
(a) bewilder (b) pacify
(c) encourage (d) encourage
21. **Flutter**
(a) infirmity (b) commotion
(c) swing (d) change
22. **Fondle**
(a) caress (b) ridicule
(c) criticize (d) exploit
23. **Foolhardy**
(a) strong (b) unwise
(c) brave (d) futile
24. **Forbid**
(a) disallow (b) include
(c) permit (d) introduce
25. **Forego**
(a) forethought (b) bygone
(c) herald (d) surrender
26. **Forgery**
(a) renounce (b) violence
(c) falsification (d) bravery
27. **Formidable**
(a) dangerous (b) outlandish
(c) grandiloquent (d) impenetrable
28. **Fortuitous**
(a) lucky (b) accidental
(c) rich (d) prearranged
29. **Fossil**
(a) bit of pottery
(b) prehistoric ruins of buildings
(c) cave painting
(d) prehistoric remnant of an animal or plant
30. **Foul play**
(a) foolishness (b) unfairness
(c) bravery (d) horrible
31. **Founder**
(a) to sink (b) waver
(c) search out (d) fold
32. **Franchise**
(a) subway (b) kiosk
(c) license (d) reason
33. **Frantic**
(a) agitated (b) kindred
(c) agile (d) crooked
34. **Friction**
(a) abrading (b) abrasion
(c) realization (d) competition
35. **Frivolous**
(a) foolish (b) serious
(c) miser (d) short tempered

36. **Frolic**
(a) to lap up (b) short
(c) be silly (d) play
37. **Frugality**
(a) extravagance (b) ripening
(c) thrift (d) resentment
38. **Frustration**
(a) satiety (b) facility
(c) thwarting (d) nostalgia
39. **Futile**
(a) unproductive (b) fruitful
(c) stealthy (d) overt
40. **Futility**
(a) uselessness (b) prudence
(c) profitability (d) unclear

G

1. **Gallant**
(a) courageous (b) aggressive
(c) craven (d) discourteous
2. **Garnish**
(a) to harvest (b) decorate
(c) select (d) pressure
3. **Garrison**
(a) to execute by choking
(b) decorate or embellish
(c) station troops
(d) gather up and store
4. **Gaunt**
(a) honest (b) twisted
(c) lean (d) deathly
5. **Gesture**
(a) indication (b) struggle
(c) direction (d) nobleness
6. **Gigantic**
(a) enormous (b) sinister
(c) superior (d) troublesome
7. **Gingerly**
(a) recklessly (b) cautiously
(c) sedentarily (d) slowly
8. **Gist**
(a) chaff (b) summary
(c) expostulation (d) expiation
9. **Glamorous**
(a) fascinating (b) obvious
(c) negligible (d) stiff necked
10. **Glib**
(a) slippery (b) fashionable
(c) antiquated (d) articulate
11. **Gloat**
(a) to humiliate

- (b) feel malicious pleasure
(c) mock
(d) get even
12. **Gloomy**
(a) dim (b) dark
(c) sad (d) thin
13. **Gorgeous**
(a) magnificent (b) disgusting
(c) maladroit (d) lovely
14. **Gossip**
(a) chatter (b) discussion
(c) virulent (d) extortion
15. **Grandeur**
(a) pride (b) peaceful
(c) splendor (d) energy
16. **Grapple**
(a) seize (b) understand
(c) resolve (d) acknowledge
17. **Grasp**
(a) understand (b) catch
(c) hinder (d) grip
18. **Gratitude**
(a) rectitude (b) geometrical curves
(c) fullness (d) gratefulness
19. **Grievance**
(a) hardship (b) fairness
(c) disagreement (d) recompense
20. **Gruesome**
(a) painful (b) horrible
(c) repulsive (d) rude
21. **Guile**
(a) irritate (b) deceit
(c) duplicate (d) conceit
22. **Guilty**
(a) suspicious (b) daring
(c) culpable (d) ruthless
- H
1. **Haggard**
(a) gaunt (b) fresh
(c) reckless (d) strong
2. **Hallucination**
(a) mispronunciation
(b) devouring
(c) fantasy
(d) melodious
3. **Handicap**
(a) discount (b) preference
(c) hindrance (d) advantage
- Jobs Test Preparation
4. **Haphazard**
(a) by chance (b) safe
(c) unsystematic (d) dangerous
5. **Harass**
(a) harness (b) annoy
(c) involve (d) injure
6. **Harmonious**
(a) jarring (b) coherent
(c) happy (d) playful
7. **Havoc**
(a) chaos (b) conceited
(c) struggle (d) vague
8. **Headstrong**
(a) shrewd (b) stubborn
(c) regardful (d) mighty
9. **Heartfelt**
(a) sincere (b) foolish
(c) energetic (d) sad
10. **Hedge**
(a) agreement (b) support
(c) barrier (d) conformity
11. **Heinous**
(a) vicious (b) famous
(c) foolish (d) sceptical
12. **Henchman**
(a) hunter (b) right-hand man
(c) pacesetter (d) nobleman
13. **Herald**
(a) messenger (b) dreadful
(c) luxurious (d) dissident
14. **Herbivore**
(a) chemical weedkiller
(b) natural cure
(c) wildmushroom hunter
(d) plant-eating animal
15. **Herculean**
(a) very strong (b) effortless
(c) related to hunting
(d) romantic
16. **Heterogeneous**
(a) similar (b) coherent
(c) diverse (d) semiferous
17. **Hilarious**
(a) cheerful (b) miserable
(c) disillusioned (d) deranged
18. **Hoax**
(a) rumor (b) mystery
(c) lie (d) trick
19. **Holocaust**
(a) devastation (b) hooligan
(c) postulated (d) grumpy

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20. **Homogeneous**
 (a) heterogeneous (b) motley
 (c) scrambled (d) similar
21. **Hostile**
 (a) hospitable (b) aggressive
 (c) stable (d) volatile
22. **Hostility**
 (a) confrontation (b) affability
 (c) benevolence (d) intimidate
23. **Hover**
 (a) to remain in the air above one spot
 (b) shake or move gently
 (c) cover carefully
 (d) to take care
24. **Humane**
 (a) decent (b) weak
 (c) self-effacing (d) kind
25. **Humiliate**
 (a) disgrace (b) exalt
 (c) submission (d) lowliness
26. **Hypocrisy**
 (a) deception (b) humility
 (c) distraction (d) insistence
27. **Hypothermia**
 (a) heat rash
 (b) insulation for clothing
 (c) subnormal body temperature
 (d) muscular stiffness
28. **Hypothetical**
 (a) imaginary (b) veritable
 (c) sanctimony (d) dissembling
1. **Idealist**
 (a) enthusiast
 (b) achiever
 (c) person having high standard
 (d) problem solver
2. **Illegible**
 (a) obscure (b) felonious
 (c) readable (d) insolent
3. **Illicit**
 (a) self explanatory (b) illiterate
 (c) broad-minded (d) unlawful
4. **Illusion**
 (a) high ideal
 (b) misconception or delusion
 (c) impressionistic drawing
 (d) clarification
5. **Illusive**
 (a) hard to express
 (b) distinguished

- (c) not real
 (d) beyond comprehension
6. **Illustrious**
 (a) inglorious (b) brilliant
 (c) deceptive (d) self explanatory
7. **Imaginative**
 (a) dreamy (b) eminent
 (c) dormant (d) factual
8. **Immaculate**
 (a) juvenile (b) contaminated
 (c) flawless (d) infinite
9. **Immensity**
 (a) minuteness (b) boldness
 (c) enormoussness (d) prudence
10. **Immerse**
 (a) boundless (b) overwhelm
 (c) reproduce (d) contrive
11. **Imminent**
 (a) threatening (b) inevitable
 (c) unlikely (d) instantly
12. **Immobile**
 (a) motionless (b) unsteady
 (c) dynamic (d) hanging
13. **Immunity**
 (a) facility
 (b) protection from a disease
 (c) permanence
 (d) privacy
14. **Impact**
 (a) divulge (b) explosion
 (c) impression (d) quash
15. **Impaired**
 (a) defective (b) enhanced
 (c) intolerant (d) hardened
16. **Impassioned**
 (a) disinterested (b) steadfast
 (c) enthusiastic (d) overwhelmed
17. **Impediment**
 (a) implement (b) complement
 (c) obstruction (d) supplement
18. **Impersonate**
 (a) imitate (b) influence
 (c) irritate (d) encourage
19. **Impertinence**
 (a) boldness (b) coyness
 (c) neutrality (d) fairness
20. **Implement**
 (a) to enforce
 (b) to make better
 (c) to obstruct (d) to clear

Jobs Test Preparation

21. **Implicate**
 (a) to insult (b) doubt
 (c) explain (d) incriminate
22. **Implicit**
 (a) ample (b) implied
 (c) modest (d) explanatory
23. **Imply**
 (a) suggest (b) understand
 (c) apply (d) impose
24. **Import**
 (a) meaning (b) insert
 (c) sufficient (d) excitement
25. **Impound**
 (a) to break up
 (b) deny
 (c) take into custody
 (d) mixture of compound
26. **Impregnable**
 (a) vulnerable
 (b) weak
 (c) unconquerable
 (d) unconvinced
27. **Improvise**
 (a) device (b) rehearse
 (c) induct (d) imitate
28. **Impunity**
 (a) confidence
 (b) gratuity
 (c) casual calmness
 (d) exemption from harm
29. **Impute**
 (a) dispute (b) calculate
 (c) pardon (d) ascribe
30. **Inane**
 (a) lifeless (b) senseless
 (c) hopeless (d) faithless
31. **Incense**
 (a) interfere (b) enrage
 (c) complicate (d) comprehend
32. **Incident**
 (a) happening (b)
 misadventure
 (c) sporadic (d) instigate
33. **Incompatible**
 (a) capable (b) reasonable
 (c) faulty (d) indifferent
34. **Incorrigible**
 (a) narrow (b) straight
 (c) inconceivable (d)
 unreformable
35. **Incredible**
 (a) unbelievable (b) complicated
 (c) brilliant (d) famous
36. **Incriminate**
 (a) exacerbate (b) involve
 (c) intimidate (d) lacerate
37. **Inculcate**
 (a) exculpate (b) educate
 (c) exonerate (d) prepare
38. **Indelible**
 (a) eradicable (b) undisputable
 (c) permanent (d) complicated
39. **Indicative**
 (a) uncertain (b) threatening
 (c) suggestive of (d) strong
40. **Indict**
 (a) to reprove (b) rumour
 (c) cause (d) accuse
41. **Indigenous**
 (a) wealthy
 (b) having stomach trouble
 (c) native
 (d) scholarly
42. **Indigent**
 (a) lazy (b) pusillanimous
 (c) penurious (d) affluent
43. **Indignity**
 (a) pomposity (b) bombast
 (c) obeisance (d) insult
44. **Indiscriminate**
 (a) unselective (b) divide
 (c) careful (d)
45. **Indispensible**
 (a) compulsory (b) superfluous
 (c) incorrigible (d) exasperated
46. **Indolence**
 (a) poverty (b) laziness
 (c) latitude (d) aptitude
47. **Induce**
 (a) influence (b) seduce
 (c) confirm (d) indulge
48. **Indulgence**
 (a) too much love (b)
 carelessness
 (c) hatred (d) interference
49. **Inevitable**
 (a) that must happen (b) equal
 (c) high (d) low
50. **Infallible**
 (a) final (b) unbelievable
 (c) perfect (d) inaccurate
51. **Inference**
 (a) reasoned deduction
 (b) secret (c) reservation
 (d) idea

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52. **Infested**
 (a) loaded (b) full of
 (c) past (d) favour
53. **Infinite**
 (a) verbal (b) indefinite
 (c) endless (d) strange
54. **Inflict**
 (a) impose (b) suffer
 (c) commend (d) suppress
55. **Infliction**
 (a) imposition (b) incitement
 (c) implication (d) application
56. **Infrastructure**
 (a) ruin or great damage
 (b) partition
 (c) an organization's composition
 (d) type of beam
57. **Infringe**
 (a) forfeit (b) break
 (c) frustrate (d) adhere
58. **Ingenious**
 (a) brilliant (b) clumsy
 (c) frank (d) candid
59. **Ingenuous**
 (a) sophisticated (b) clever
 (c) cunning (d) naive
60. **Ingredient**
 (a) component (b) essential
 (c) creative (d) natural
61. **Inhabit**
 (a) habitual (b) popular
 (c) to live (d) habit
62. **Innovate**
 (a) make changes (b) make
 effective (c) beautify (d) slowdown
63. **Inquest**
 (a) deposition (b) conversation
 (c) investigation (d) arrest
64. **Inquisitive**
 (a) complex (b) brilliant
 (c) mature (d) curious
65. **Insanity**
 (a) clarity (b) clumsiness
 (c) madness (d) wisdom
66. **Insatiable**
 (a) having strong feelings
 (b) ruthless (c) greedy
 (d) unfriendly
67. **Insolvent**
 (a) defaulting (b) civil
 (c) mysterious (d) assertive
68. **Instigate**
 (a) contact (b) prompt
 (c) check (d) accuse
69. **Instinctive**
 (a) impulsive (b) calculated
 (c) mindful (d) effective
70. **Integral**
 (a) gather (b) divine
 (c) necessary (d) essential
71. **Integrate**
 (a) tolerate (b) unite
 (c) flow (d) copy
72. **Integrity**
 (a) friendliness (b) uprightness
 (c) impartiality (d) Steadfastness
73. **Intemperate**
 (a) external (b) noble
 (c) restless (d) unrestrained
74. **Intensive**
 (a) comprehensive
 (b) spontaneous
 (c) complicated
 (d) Awesome
75. **Intercept**
 (a) overtake (b) understand
 (c) obstruct (d) complicate
76. **Interjection**
 (a) interfere (b) stimulation
 (c) banter (d) exclamation
77. **Intermediate**
 (a) ugly
 (b) situated between
 (c) tending to interfere
 (d) temporary
78. **Interpolate**
 (a) mix (b) elaborate
 (c) reverse (d) insert
79. **Intimacy**
 (a) primacy (b) closeness
 (c) privacy (d) lunacy
80. **Intimidate**
 (a) reform (b) terrorise
 (c) support (d) deter
81. **Intractable**
 (a) timid (b) bemused
 (c) ascetic (d) stubborn
82. **Intricate**
 (a) complicated (b) dispassionate
 (c) delicate (d) imaginary

83. **Intrigue**
 (a) conspiracy (b) diehard
 (c) respite (d) transition
84. **Intrinsic**
 (a) combined (b) gained
 (c) inerrant (d) undivided
85. **Intrude**
 (a) find fault (b) disagree
 (c) be in the way (d) leave quickly
86. **Intuitive**
 (a) impulsive (b) secretive
 (c) initiative (d) instinctive
87. **Invalid**
 (a) careful (b) unlawful
 (c) without a pattern (d) not true
88. **Inversion**
 (a) reversal (b) diversification
 (c) introvert (d) vortex
89. **Invested**
 (a) interested (b) investigate
 (c) endowed (d) sealed
90. **Invincible**
 (a) indestructable (b) defenceless
 (c) indivisible (d) illogical
91. **Invoke**
 (a) create (b) inform
 (c) implore (d) habituate
92. **Irrevocable**
 (a) irreconcilable (b) irrelevant
 (c) unfaithful (d) unalterable
93. **Irritable**
 (a) drowsy (b) grouchy
 (c) dizzy (d) silly
- J**
1. **Jaundiced**
 (a) anxious (b) embittered
 (c) shaken (d) disease
2. **Jaunt**
 (a) outing
 (b) attractive appearance
 (c) interior (d) tedious
3. **Jealous**
 (a) grudging (b) tolerant
 (c) envious (d) hostile
4. **Jeer**
 (a) sneer (b) laugh at
 (c) erude (d) knock out
5. **Jeopardize**
 (a) endanger (b) strengthen
 (c) manipulate (d) simplify
6. **Jittery** Jobs Test Preparation
 (a) vulnerability (b) confident
 (c) bitter (d) edgy
7. **Jovial**
 (a) relaxed (b) healthy
 (c) rude (d) jolly
8. **Jubilation**
 (a) elation (b) melancholy
 (c) authority (d) concoction
9. **Judicious**
 (a) blithe (b) rapturous
 (c) indiscreet (d) careful
10. **Jurisdiction**
 (a) authority (b) conjunction
 (c) co-operation (d) contiguity
- K**
1. **Kindle**
 (a) inflame (b) satisfy
 (c) tease (d) satiate
2. **Knack**
 (a) ability (b) manipulate
 (c) imperfection (d) regue
3. **Knave**
 (a) intellectual (b) gentlemen
 (c) intelligent (d) scoundrel
4. **Knead**
 (a) to desire (b) flatten
 (c) massage (d) deform
- L**
1. **Laudable**
 (a) exorbitant (b) meticulous
 (c) unwavering (d) exemplary
2. **Lavish**
 (a) demolish (b) excellent
 (c) futile (d) extravagant
3. **Leach**
 (a) to filter or dissolve
 (b) stretch a cloth
 (c) pauper
 (d) penalty
4. **Legacy**
 (a) heritage (b) indolence
 (c) fictitious (d) history
5. **Legitimate**
 (a) basic (b) authentic
 (c) legalize (d) invalid
6. **Lesion**
 (a) injury (b) support
 (c) cooperation (d) division

M

- 7. **Lethal**
(a) showy (b) deadly
(c) infertile (d) manageable
- 8. **Lethargy**
(a) laziness (b) animation
(c) noxious (d) unrelenting
- 9. **Levish**
(a) abundant (b) sparing
(c) comfortable (d) lazy
- 10. **Levy**
(a) to keep within limits
(b) envy
(c) impose
(d) change
- 11. **Lien**
(a) false and malicious statement
(b) impose
(c) legal claim
(d) account statement
- 12. **Liquidate**
(a) prosecute (b) resolve
(c) dissolve (d) decide
- 13. **Litigation**
(a) lawsuit (b) investigation
(c) complaint (d) reconciliation
- 14. **Loath**
(a) encourage (b) notice
(c) hate (d) begin
- 15. **Logical**
(a) methodical (b) chaotic
(c) torpid (d) self centered
- 16. **Longing**
(a) guess work (b) big
(c) desire (d) fear
- 17. **Lucid**
(a) brilliant (b) greedy
(c) selfish (d) profuse
- 18. **Lucrative**
(a) attractive (b) beautiful
(c) rewarding (d) easy
- 19. **Lukewarm**
(a) half-hearted (b) curious
(c) aggressive (d) down cast
- 20. **Luminary**
(a) shinning (b) celebrity
(c) lamp stand (d) planet
- 21. **Lurid**
(a) esoteric (b) non sensical
(c) sensational (d) unrealistic
- 22. **Lustrous**
(a) dazzling (b) greedy
(c) mean (d) lckluster

- 1. **Magnitude**
(a) immensity (b) essence
(c) dimenson (d) size
- 2. **Mainstay**
(a) strong resistance
(b) stimulant
(c) chief support
(d) conclusion
- 3. **Malice**
(a) kind (b) hatred
(c) pleasant surprize
(d) desire
- 4. **Malign**
(a) co-operate (b) condemn
(c) reconcile (d) disagree
- 5. **Malignant**
(a) destructive (b) kind
(c) misconduct (d) loafer
- 6. **Mammoth**
(a) frightening (b) immense
(c) volume (d) unbelievable
- 7. **Mandate**
(a) grapple (b) order
(c) authority to command
(d) concept
- 8. **Manipulate**
(a) manage (b) deceive
(c) misguide (d) exhibit
- 9. **Manoeuvre**
(a) misguide (b) direct
(c) intrigue (d) defer
- 10. **Mastermind**
(a) conceive (b) control
(c) snobbisk (d) prodigy
- 11. **Maze**
(a) corn (b) torture
(c) pain (d) labyrinth
- 12. **Meagre**
(a) sufficient (b) strong
(c) small (d) thin
- 13. **Median**
(a) conciliatory (b) small
(c) middle (d) thoughtful
- 14. **Memoir**
(a) biographical sketch
(b) reminder
(c) special locket
(d) cover-up
- 15. **Menace**
(a) rebellious (b) disgust
(c) disaster (d) threat

- 16. **Mere**
(a) humble (b) ordinary
(c) only (d) inferior
- 17. **Mesh**
(a) to combine harmoniously
(b) crush
(c) nasty
(d) mix haphazardly
- 18. **Mesmerize**
(a) to change (b) memorize
(c) daze (d) hypnotize
- 19. **Meteorologist**
(a) space
(b) earth crust expert
(c) planets
(d) weather forcaster
- 20. **Micro**
(a) big (b) small
(c) hard (d) metallic
- 21. **Mirage**
(a) illusion (b) climax
(c) puzzle (d) shadow
- 22. **Misapprehension**
(a) mistaken idea
(b) worry (c) anxiety
(d) unfair distribution
- 23. **Mitigate**
(a) humiliate (b) lessen
(c) simplify (d) resolve
- 24. **Mockery**
(a) distrust (b) ludatory
(c) ridicule (d) respect
- 25. **Mode**
(a) method (b) extort
(c) tool (d) distort
- 26. **Moderate**
(a) aggressive (b) dynamic
(c) gentle (d) peevish
- 27. **Modest**
(a) humble (b) pretentions
(c) law (d) degraded
- 28. **Modify**
(a) improve (b) change
(c) discover (d) enlarge
- 29. **Molest**
(a) abuse (b) discriminate
(c) snub (d) rough
- 30. **Mollify**
(a) appease (b) sweeten
(c) applaud (d) worry

- 31. **Monopolize**
(a) control (b) compete
(c) embezzle (d) forfeit
- 32. **Monotonous**
(a) impressive (b) absorbing
(c) colourless (d) formal
- 33. **Morose**
(a) calm (b) gloomy
(c) misty (d) damp
- 34. **Motivate**
(a) activate (b) dismay
(c) pacify (d) mitigate
- 35. **Mourn**
(a) triumph (b) rejoice
(c) lament (d) suppress
- 36. **Multifaceted**
(a) two-faced (b) moody
(c) having many aspects
(d) speaking many languages
- 37. **Multimedia**
(a) modes of communication
(b) famous
(c) political expedients
(d) large number of people
- 38. **Muster**
(a) pledge (b) fake
(c) display (d) gather

N

- 1. **Naive**
(a) simple (b) artful
(c) adroit (d) disingenuous
- 2. **Native**
(a) inhabitant (b) alien
(c) simple (d) understandable
- 3. **Nefarious**
(a) gentle (b) nebular
(c) atrocious (d) senile
- 4. **Neglect**
(a) disregard (b) regard
(c) preempt (d) pacify
- 5. **Negotiate**
(a) invalidate (b) bargain
(c) transfer (d) complicate
- 6. **Nettlesome**
(a) soothing (b) irritating
(c) befuddled (d) eccentric
- 7. **Nodule**
(a) a lump (b) scheme

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- (d) part of computer
8. **Nomenclature**
 (a) pseudonym
 (b) terminology
 (c) stubborn
 (d) basic facts of matter
9. **Non-aligned**
 (a) neutral (b) partial
 (c) fixed (d) intertwined
10. **Non-proliferation**
 (a) absent (b) adulterated
 (c) noise pollution (d) limitation
11. **Notion**
 (a) impression (b) fact
 (c) formula (d) variety
12. **Notorious**
 (a) infamous (b) virtuous
 (c) harmful (d) virulent
13. **Nuisance**
 (a) balm (b) trouble
 (c) invalid (d) obliterate
- O**
1. **Obligation**
 (a) responsibility (b) discretionary
 (c) consideration (d) undesirable
2. **Oblique**
 (a) to the point (b) rub out
 (c) changing quickly
 (d) indirect or evasive
3. **Oblivious**
 (a) forgetful (b) observant
 (c) imminent (d) indispensable
4. **Obscure**
 (a) vague (b) distinct
 (c) coarseness (d) arrogant
5. **Obsequious**
 (a) very disagreeable
 (b) excessively submissive
 (c) disrespectful
 (d) observant
6. **Obsession**
 (a) craze (b) liberation
 (c) nullity (d) mysterious
7. **Obsolete**
 (a) disused (b) complete
 (c) obvious (d) extempore
8. **Occlude**
 (a) saturate (b) defy
 (c) reflect (d) block

9. **Odious**
 (a) hateful (b) respectful
 (c) offensive (d) charming
10. **Offended**
 (a) defended (b) made angry
 (c) suspended (d) decent
11. **Ombudsman**
 (a) priest
 (b) chief of protocol
 (c) nursery-man
 (d) complaint receiver
12. **Omnipresent**
 (a) knowing every thing
 (b) present everywhere
 (c) bias (d) hovering
13. **Omnivorous**
 (a) ubiquitous (b) meat-eating
 (c) powerful
 (d) devouring indiscriminately
14. **Onslaught**
 (a) offensive (b) stampede
 (c) rout (d) atrocious
15. **Opportune**
 (a) chance (b) convenient
 (c) obstruction (d) fortune
16. **Oppression**
 (a) coercion (b) clemency
 (c) expunge (d) apprehension
17. **Optimistic**
 (a) confident (b) gloomy
 (c) contemptuous (d) punctuate
18. **Oracle**
 (a) round opening (b) wise person
 (c) idiot (d) speaker
19. **Orbit**
 (a) pathway (b) boundary
 (c) understand (d) starting point
20. **Origin**
 (a) destiny (b) source
 (c) classification (d) timely
21. **Orthodox**
 (a) unconventional (b) heretical
 (c) traditional (d) satiated
22. **Oscillate**
 (a) vibrate (b) resolve
 (c) choose (d) accelerate
23. **Outlook**
 (a) appearance (b) indifference
 (c) overt (d) affront
24. **Outrageous**
 (a) strange (b) offensive
 (c) emotional (d) atrocious

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25. **Oval**
 (a) working (b) verbal
 (c) shaped like an egg
 (d) cast
26. **Ovation**
 (a) applause (b) heckling
 (c) reminder (d) profound
27. **Overt**
 (a) obvious (b) hidden
 (c) capsized (d) vanquish
28. **Overwhelm**
 (a) pass for (b) over-power
 (c) over loaded (d) surprize
- P**
1. **Pacify**
 (a) miligate (b) incite
 (c) conclude (d) nullify
2. **Palpitate**
 (a) feeling with the hand
 (b) to flutter or beat rapidly
 (c) heart sinking
 (d) twist back and forth
3. **Panacea**
 (a) cure-all (b) unethical
 (c) forge (d) careful
4. **Panorama**
 (a) narrow piece of land
 (b) beautiful view
 (c) extensive view
 (d) splendid array
5. **Paradox**
 (a) absurdity (b) maxim
 (c) infection (d) dominant
6. **Parameter**
 (a) distance measuring device
 (b) guideline
 (c) simultaneous occurrence
 (d) opposite side parallel to each other
7. **Paramount**
 (a) commanding (b) inferior
 (c) climax (d) original
8. **Paraphernalia**
 (a) equipment
 (b) arrangements
 (c) guiding principle
 (d) paraphrase
9. **Parity**
 (a) poverty (b) puzzle
 (c) equality (d) discourse
10. **Passionate**
 (a) animated (b) opathetic
 (c) stubborn (d) lamentable
11. **Patronize**
 (a) assist (b) contend
 (c) command (d) understand
12. **Paucity**
 (a) honesty (b) abundance
 (c) scarcity (d) hardly
13. **Pause**
 (a) abandon (b) break
 (c) connect (d) continue
14. **Pensive**
 (a) cheerful (b) thoughtful
 (c) depressed (d) confused
15. **Perceptive**
 (a) sagacious (b) dense
 (c) senile (d) sensitive
16. **Perpetual**
 (a) ancient (b) rhythmic
 (c) leisurely (d) constant
17. **Perplex**
 (a) astonish (b) enlighten
 (c) sustain (d) inflict
18. **Persevere**
 (a) to equalize (b) persist
 (c) deserve (d) reserve
19. **Persistent**
 (a) unceasing (b) by chance
 (c) authoritative (d) periodic
20. **Pertinent**
 (a) close (b) clear
 (c) practicable (d) relevant
21. **Pessimistic**
 (a) despondent (b) confident
 (c) confused (d) traditional
22. **Phase**
 (a) confusion of mind
 (b) stage of development
 (c) fizzle (d) level
23. **Placid**
 (a) calm (b) hard working
 (c) boring (d) rough
24. **Plaintiff**
 (a) is sad (b) defendant
 (c) sues (d) judge
25. **Platitude**
 (a) clear
 (b) freedom to behave
 (c) concession
 (d) commonplace
26. **Pledge**
 (a) plain (b) rough
 (c) an oath (d) playful

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27. **Plunge**
 (a) dive (b) preside
 (c) pick-up (d) bear
28. **Pollute**
 (a) disinfect (b) soil
 (c) infect (d) pretty
29. **Ponder**
 (a) consume (b) consider
 (c) condone (d) codify
30. **Ponderous**
 (a) thoughtful (b) awkward
 (c) quick (d) yielding
31. **Potent**
 (a) inefficient (b) powerful
 (c) dormant (d) gentle
32. **Pre-eminent**
 (a) superficial (b) possessive
 (c) out-of-date (d) outstanding
33. **Precarious**
 (a) dilapidated (b) way
 (c) ill (d) risky
34. **Preceding**
 (a) coming after (b) succeeding
 (c) proceeding (d) coming earlier
35. **Precipitation**
 (a) slow reaction (b) humidity
 (c) fall of rain (d) evaporation
36. **Precis**
 (a) elaborate (b) summary
 (c) distorted (d) erratic
37. **Precise**
 (a) exact (b) usually
 (c) occasionally (d) monthly
38. **Prejudice**
 (a) pressure (b) bias
 (c) prelude (d) affectionate
39. **Premature**
 (a) untimely (b) slow
 (c) cverdue
 (d) unrepresentable
40. **Preoccupied**
 (a) lost in thought
 (b) done with care
 (c) conquest (d) former
41. **Prestigious**
 (a) conjurer (b) notorious
 (c) honoured (d) wise
42. **Pretense**
 (a) provoke (b) arrogance
 (c) something pretended
 (d) sincerity
43. **Pretext**
 (a) real reason (b) respect
 (c) excuse (d) strength
44. **Prevalent**
 (a) dominant (b) isolated
 (c) current (d) conspicuous
45. **Primitive**
 (a) uncivilized (b) cultured
 (c) sophisticated (d) elaborated
46. **Privilege**
 (a) free for all (b) general right
 (c) duty (d) special rights
47. **Proceed**
 (a) advance (b) regress
 (c) determine (d) inclination
48. **Proficient**
 (a) expert (b) efficient
 (c) qualified (d) far reaching
49. **Profuse**
 (a) scarce (b) strange
 (c) depressed (d) lavish
50. **Prohibit**
 (a) prevent (b) tolerate
 (c) slow (d) determine
 (e) permit
51. **Promulgate**
 (a) informally discuss
 (b) quickly contact
 (c) officially declares
 (d) critically reviews
52. **Pronouncement**
 (a) conviction
 (b) transmission
 (c) part of speech
 (d) formal statement
53. **Proprietary**
 (a) self-centered (b) respectable
 (c) aggressive
 (d) privately owned
54. **Prospect**
 (a) explore (b) overlook
 (c) demonstrate (d) fortunate
55. **Prosperous**
 (a) flourishing (b) recumbent
 (c) excrescence (d) skillful
56. **Prostrate**
 (a) to plead (b) lay flat
 (c) strengthen (d) demonstrate
57. **Proverb**
 (a) peaceful
 (b) familiar saying
 (c) comment (d) ...

58. **Provincial**
 (a) temporary (b) prepared
 (c) old fashioned (d) modern
59. **Provocative**
 (a) sophisticated (b) abusive
 (c) stimulating (d) annoying
60. **Prudent**
 (a) clever (b) wealthy
 (c) careful (d) dishonest
- Q**
1. **Quantum leap**
 (a) slow progress (b) measure
 (c) breakthrough (d) stupid
2. **Quarry**
 (a) trend (b) prey
 (c) decoy
 (d) seeking explanation
3. **Queer**
 (a) familiar (b) pleasant
 (c) strange (d) ordinary
4. **Quench**
 (a) Shuffle (b) extinguish
 (c) flout (d) extract
5. **Queue**
 (a) haphazard arrangement
 (b) worthy (c) oval
 (d) line of people
6. **Quorum**
 (a) proxy (b) bid
 (c) necessary minimum number
 (d) public meeting
- R**
1. **Radiant**
 (a) shining (b) content
 (c) helpful (d) jovial
2. **Radical**
 (a) fundamental (b) advance
 (c) disgusting (d) loveable
3. **Random**
 (a) with equivalent space
 (b) done without method
 (c) widespread
 (d) done in a systematic way
4. **Ratify**
 (a) negotiate (b) denounce
 (c) approve (d) challenge
5. **Rational**
 (a) guided by reason
 (b) emotional
 (c) sincere
 (d) logical
6. **Rationale**
 (a) practicality (b) justification
 (c) random choice (d) Test Preparation
7. **Rebate**
 (a) argument
 (b) partial refund
 (c) bet
 (d) payment of a debt
8. **Rebound**
 (a) repulse (b) react
 (c) reprove (d) disentangle
9. **Rebuff**
 (a) insult (b) polish
 (c) snub (d) revise
10. **Reciprocate**
 (a) exchange (b) unilateral
 (c) duplicate (d) remunerate
11. **Reckless**
 (a) unlimited (b) stubborn
 (c) rash (d) ashamed
12. **Reclamation**
 (a) passing of new law
 (b) declaration
 (c) proposal
 (d) recovering possession
13. **Reconcile**
 (a) to bring into harmony with
 (b) disagreement
 (c) submit
 (d) shrink from
14. **Redundant**
 (a) unnecessary (b) defective
 (c) overflowing (d) turning back
15. **Refined**
 (a) penalize (b) elegant
 (c) reimburse (d) delight
16. **Regime**
 (a) military group (b) summary
 (c) rule (d) estimate
17. **Regress**
 (a) renovate (b) revert
 (c) apologize (d) redress
18. **Rehabilitate**
 (a) reinstate (b) recount
 (c) recompensate (d) toughen
19. **Reinforce**
 (a) augment (b) debilitate
 (c) reestablish (d) recapitulate
20. **Rejoinder**
 (a) reply (b) outcome
 (c) reconnect (d) reminder

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21. **Relative**
(a) unknown (b) comparative
(c) mutual (d) insult
22. **Relevant**
(a) applicable (b) reliable
(c) cherish (d) diffident
23. **Reliance**
(a) resent (b) dependence
(c) to give away (d) renunciation
24. **Relinquish**
(a) give up (b) struggle for
(c) aggravate (d) to give away
25. **Remorse**
(a) arrogance (b) compunction
(c) feel proud of (d) dejection
26. **Remote**
(a) distant (b) gentle
(c) remodel (d) refresh
27. **Renovate**
(a) recondition (b) illustrate
(c) adicate (d) retaliate
28. **Repel**
(a) to relinquish (b) revoke
(c) descend (d) drive back
29. **Repentance**
(a) regret (b) abuse
(c) loathe (d) pleasure
30. **Replete**
(a) reduce (b) full of
(c) deplete (d) related
31. **Repose**
(a) rest (b) impose
(c) repair (d) alarm
32. **Rescinded**
(a) renegotiated (b) withdrew
(c) reinstated (d) rethought
33. **Restrain**
(a) contain (b) liberate
(c) reclaim (d) revitalize
34. **Retaliate**
(a) secluded (b) retort
(c) summing up (d) disclaim
35. **Retard**
(a) initiate (b) stunt
(c) benefit (d) slow
36. **Retreat**
(a) to move back (b) to push forward
(c) to rush (d) to divide
37. **Retrieve**
(a) recapture (b) relinquish
(c) withdraw (d) refurbish

38. **Reveal**
(a) hide (b) disclose
(c) desire (d) resist
39. **Reversal**
(a) withdraw (b) adversity
(c) revision (d) fortunate
40. **Revitalize**
(a) reconstruct
(b) review
(c) make up lost ground
(d) regenerate
41. **Revive**
(a) reject (b) revenge
(c) revitalise (d) reverberate
42. **Ridicule**
(a) humiliate (b) flatter
(c) rearrange (d) misguide
43. **Rout**
(a) passage (b) withdraw
(c) defeat (d) miscarriage
44. **Rueful**
(a) depressed (b) sensitive
(c) regretful (d) romantic
45. **Rustic**
(a) slow (b) difficult
(c) simple (d) happy
46. **Ruthless**
(a) ferocious
(b) compassionate
(c) graceless (d) rugged

S

1. **Sagacious**
(a) reproachful (b) intelligent
(c) healthful (d) unruffled
2. **Salvation**
(a) reclamation (b) loss
(c) reverence (d) reparation
3. **Sanction**
(a) assure (b) approve
(c) caustic (d) scornful
4. **Saturation**
(a) thorough soaking
(b) mistaken idea
(c) unfair distribution
(d) overflow
5. **Scanty**
(a) sparing (b) abundant
(c) lavish (d) sardonic
6. **Scarce**
(a) frequent (b) limited
(c) absurd (d) illegible

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7. **Scenario**
(a) landscape
(b) imagined sequence of future events
(c) beautiful scene
(d) symphony
8. **Sceptical**
(a) dubious (b) naive
(c) convinced (d) startled
9. **Schedule**
(a) list (b) request
(c) obligate (d) load
10. **Scold**
(a) admonish (b) repair
(c) lavish (d) improve
11. **Scorn**
(a) renounce (b) excoriate
(c) abrade (d) blister
12. **Scourge**
(a) to disfigure (b) overlook
(c) whip (d) careless
13. **Scrabble**
(a) miser
(b) mix in a confused way
(c) become confused
(d) to get hold of
14. **Scrupulous**
(a) annoying (b) reckless
(c) conscientious (d) devious
15. **Scrutiny**
(a) luscious (b) search
(c) languid (d) fraternity
16. **Sedate**
(a) mean (b) impressive
(c) calm (d) clumsy
17. **Segment**
(a) proportion (b) portion
(c) piece of pottery (d) decision
18. **Seize**
(a) capture (b) requester
(c) smolder (d) insulate
19. **Self-Sufficient**
(a) independent (b) complacent
(c) remorse (d) hermetic
20. **Sententious**
(a) exciting
(b) ready to argue
(c) pompous and moralizing
(d) carried away by emotions
21. **Serene**
(a) happy
(b) calm and peaceful
(c) smooth
(d) alluring
22. **Sever**
(a) to damage (b) twist
(c) cut off (d) severe
23. **Severe**
(a) vague (b) harsh
(c) diverse (d) covert
24. **Shambles**
(a) confusion (b) improper
(c) harsh (d) vague
25. **Shimmer**
(a) to shine with a soft, quivering light
(b) waver
(c) show through
(d) tremble
26. **Skeptical**
(a) unkept (b) foolish
(c) unbelieving (d) inquisitive
27. **Slew**
(a) an opening
(b) waste material
(c) large number (d) a scattering
28. **Slue**
(a) to lag behind (b) twist or skid
(c) challenge (d) to cut
29. **Sluggish**
(a) slow (b) hurt
(c) careful (d) worried
30. **Smug**
(a) clown (b) hypocritical
(c) self-satisfied (d) foolish
31. **Sneaky**
(a) dishonest (b) coward
(c) guilty (d) scornful
32. **Snobbish**
(a) irrational (b) arrogant
(c) scandalous (d) melodious
33. **Software**
(a) computer programs
(b) easy wear
(c) perishables
(d) soft sole shoe
34. **Solemn**
(a) dignified (b) irreverent
(c) consistent (d) persistent
35. **Sophisticated**
(a) well-made
(b) clever
(c) complicated and refined
(d) superficial
36. **Soporific**
(a) nexious (b) sedative
(c) inimical (d) poignant

- Jobs Test Preparation**
- (a) awful (b) scarce
(c) dispersed (d) concentrated
38. **Spasmodic**
(a) convulsive (b) uninterrupted
(c) plausible (d) intensive
39. **Speculate**
(a) take a chance
(b) investigate
(c) take advantage
(d) segregate
40. **Spendthrift**
(a) miser (b) squanderer
(c) skulking (d) proficient
41. **Spirited**
(a) clairvoyant (b) restless
(c) lively (d) human soul
42. **Splendid**
(a) luxurious (b) gigantic
(c) peculiar (d) complicated
43. **Spontaneous**
(a) on the spot (b) suddenly
(c) immediate (d) natural
44. **Sportive**
(a) games (b) playful
(c) active (d) helpful
45. **Spurt**
(a) to push away (b) speed up
(c) control (d) slow down
46. **Stagnant**
(a) dormant (b) stubborn
(c) hostile (d) deserted
47. **Startled**
(a) afraid
(b) full of energy
(c) wonder
(d) sudden surprise
48. **Static**
(a) confusing
(b) collecting statistics
(c) standing straight
(d) inactive
49. **Stigma**
(a) precision (b) disgrace
(c) obstruction (d) respect
50. **Stimulate**
(a) instigate (b) oppress
(c) disguise (d) seduce
51. **Stipulate**
(a) to elaborate (b) fix
(c) specify (d) advise
52. **Strained**
(a) awkward (b) stretched
(c) genuine (d) brusque
53. **Strategic**
(a) unplanned (b) calculated
(c) academic (d) constant
54. **Strenuous**
(a) exhausting (b) refreshing
(c) strange (d) lethargic
55. **Stubborn**
(a) frightful (b) discrete
(c) adamant (d) immoral
56. **Subjugate**
(a) free (b) overcome
(c) restrained (d) conquer
57. **Submerge**
(a) engulf (b) reappear
(c) reparate (d) determine
58. **Submissive**
(a) frustrated
(b) optimistic
(c) accommodating
(d) selective
59. **Submit**
(a) surrender (b) discharge
(c) release (d) suppress
60. **Subside**
(a) fall
(b) resign
(c) to become less agitated
(d) join
61. **Subsistence**
(a) maintenance (b) endurance
(c) stratagem (d) integrity
62. **Substantial**
(a) limited (b) affluent
(c) unassuming (d) permanent
63. **Subtle**
(a) sympathetic (b) clever
(c) friendly (d) stubborn
64. **Subvert**
(a) to divide
(b) undermine
(c) humble oneself
(d) change direction
65. **Sumptuous**
(a) swampy (b) irritable
(c) meagre (d) splendid
66. **Superficial**
(a) shallow (b) analytical
(c) profound (d) scornful

- Jobs Test Preparation**
67. **Superfluous**
(a) nonessential (b) necessary
(c) impregnable (d) infected
68. **Supplant**
(a) strengthen (b) replace
(c) encourage (d) conceal
69. **Supple**
(a) synchronized (b) quick
(c) flexible (d) stiff
70. **Suppress**
(a) conceal (b) express
(c) reproach (d) demolish
71. **Surmise**
(a) dawn (b) plan
(c) unexpected event
(d) guess
72. **Surmount**
(a) to overcome (b) influence
(c) understand (d) calculate
73. **Susceptible**
(a) dubious (b) insensitive
(c) defenceless (d) irregular
74. **Suspicious**
(a) dubious (b) resisting
(c) anxious (d) dishonest
75. **Sympathetic**
(a) sensitive (b) agreeable
(c) self-satisfied (d) splendid
76. **Syndrome**
(a) effects
(b) timing devices
(c) resemblance
(d) symptoms
77. **Synopsis**
(a) gist (b) summary
(c) blending (d) conclusion
78. **Synthesizer**
(a) to harmonize
(b) visual effects
(c) sounds
(d) timing device
- T
1. **Tangible**
(a) real (b) flexible
(c) assumption (d) profitable
2. **Tart**
(a) smart dress (b) sour
(c) syrupy (d) crispy
3. **Tedious**
(a) strenuous (b) exciting
(c) labourious
(d) hypersensitive
4. **Telecommunications**
(a) electronic message
(b) telepathy
(c) explanations
(d) efficient communication
5. **Temperate**
(a) moderate (b) extreme
(c) docile (d) moody
6. **Tempo**
(a) desposition (b) pace
(c) mood (d) secular
7. **Temporary**
(a) brief (b) enduring
(c) imaginary (d) imitation
8. **Tendency**
(a) rumour (b) trend
(c) prejudice (d) security
9. **Tentative**
(a) indefinite (b) decisive
(c) aggressive (d) haughty
10. **Testimony**
(a) evidence (b) after thought
(c) proclivity (d) propensity
11. **Thermal**
(a) daytime
(b) night-time
(c) barometric pressure
(d) heat
12. **Thrive**
(a) to struggle toward
(b) turn
(c) prosper
(d) pulsate
13. **Timid**
(a) coy (b) forward
(c) careful (d) considerate
14. **Titan**
(a) giant (b) great warrior
(c) small (d) wise person
15. **Torpid**
(a) sluggish (b) rapid
(c) explosive (d) heavy
16. **Tortuous**
(a) complicated (b) sadistic
(c) cruel (d) like a turtle
17. **Touchstone**
(a) goal post
(b) worry bead
(c) magic jewel
(d) standard or criterion
18. **Touchy**
(a) volatile (b) injured
(c) vigorous (d) lethal

19. **Traditional**
(a) conventional (b) obedient
(c) modern (d) provisional
20. **Transition**
(a) temporary (b) change
(c) changeable (d) changing
21. **Travail**
(a) anguish (b) exaggerate
(c) futile effort (d) hope
22. **Tremulous**
(a) domineering
(b) nervous personality
(c) insufficient
(d) trembling
23. **Trespass**
(a) encroach (b) captivate
(c) bypass (d) plunder
24. **Trifle**
(a) busy (b) important
(c) dally (d) of little value
25. **Triumph**
(a) enjoy (b) victory
(c) happy mood (d) refer
26. **Trivial**
(a) unexpected (b) unusual
(c) unimportant
27. **Trounce**
(a) to disown
(b) defeat or punish severely
(c) leap
(d) stampede
28. **Truculent**
(a) disgusting (b) calm
(c) belligerent (d) sardonic
29. **Turbulent**
(a) troublesome (b) noisy
(c) violent (d) rushing
30. **Tyranny**
(a) despotism (b) oppression
(c) irascibility (d) vigour

U

1. **Unanimity**
(a) complete agreement
(b) firmness
(c) determination
(d) positive response
2. **Unanimous**
(a) schismatic (b) collective
(c) impartial (d) steadfast
3. **Unbridled**
(a) insolent (b) unrestrained
(c) passionate (d) jealous

4. **Unconcerned**
(a) disinterested (b) impartial
(c) uninterested (d) quiet
5. **Undermine**
(a) sabotage (b) reinforce
(c) dismiss (d) comprehend
6. **Undertaking**
(a) enter into (b) promise
(c) embark on (d) agreement
7. **Unearth**
(a) discover (b) excavate
(c) corrode (d) tolerate
8. **Unholy**
(a) sinful (b) wicked
(c) profane (d) sardonic
9. **Unique**
(a) promising (b) common
(c) fearless (d) unequalled
10. **Unnerve**
(a) demoralize (b) strengthen
(c) sabotage (d) disengage
11. **Unprecedented**
(a) unintentional (b) exceptional
(c) modest (d) indecent
12. **Untoward**
(a) unfortunate (b) untenable
(c) irrelevant (d) neutral
13. **Upbraid**
(a) promote (b) criticize
(c) to congratulate (d) up-to-date
14. **Upheaval**
(a) catastrophe (b) serenity
(c) ascending (d) insurgence
15. **Uprising**
(a) debilitate (b) outbreak
(c) overturn (d) heartening
16. **Utmost**
(a) limited (b) parallel
(c) maximum (d) distant

V

1. **Vague**
(a) ambiguous (b) definite
(c) sophisticated (d) reluctant
2. **Vain**
(a) significant (b) proud
(c) compromising (d) stupid
3. **Valiant**
(a) courageous (b) timid
(c) down-to-earth (d) important
4. **Valid**
(a) logical (b) savage
(c) furious (d) eager

5. **Valor**
(a) stubbornness (b) strength
(c) great courage (d) pride
6. **Vanity**
(a) weakness (b) pride
(c) selfish (d) introvert
7. **Variable**
(a) fluctuating (b) diversified
(c) inflexible (d) indigenous
8. **Veer**
(a) tilt (b) accelerate
(c) change (d) bounce back
9. **Vendor**
(a) man employed in food service
(b) man who drive car
(c) man engaged in selling
(d) man who work in hospital
10. **Venerate**
(a) respect (b) criticize
(c) appreciate (d) discriminate
11. **Vent**
(a) endure (b) fault
(c) pummel
(d) release of emotion
12. **Veracity**
(a) thoughtfulness (b) truth
(c) diversification (d) precision
13. **Verdict**
(a) order (b) decision
(c) evaluation (d) opinion
14. **Versatile**
(a) clever
(b) shrewd
(c) of multi-sided ability
(d) expert

15. **Vested Interests**
(a) expected to benefit from something
(b) share in some investment
(c) illegal operation
(d) common interest
16. **Vibrant**
(a) shaky (b) angry
(c) vigorous
(d) ever changing
17. **Vicious**
(a) cruel (b) of virtues
(c) wicked (d) deceiving
18. **Vigilant**
(a) attentive (b) impulsive
(c) dynamic (d) know

Jobs Test Preparation

19. **Vigorous**
(a) enervated (b) active
(c) anxious (d) triumphant
20. **Vindictive**
(a) revengeful (b) triumphant
(c) strategic
(d) demonstrative
21. **Violation**
(a) volatile (b) concurrence
(c) infraction (d) negligence
22. **Virtue**
(a) justice (b) rightness
(c) respect (d) fate
23. **Vital**
(a) average (b) crucial
(c) resentful (d) violent
24. **Vocation**
(a) carrier (b) intermission
(c) entertainment (d) holiday
25. **Void**
(a) hazy (b) chaos
(c) emptiness (d) confusion
26. **Volatile**
(a) temperamental (b) steadfast
(c) breach (d) corrupt
27. **Voluntary**
(a) discretionary (b) obligatory
(c) frivolous (d) accessible
28. **Voracious**
(a) stubborn (b) greedy
(c) honest (d) frivolous

W

1. **Waive**
(a) abandon (b) demand
(c) anticipate (d) lapse
2. **Warrant**
(a) special guard
(b) written authorization
(c) national emergency
(d) small payment
3. **Wayward**
(a) disorderly (b) obedient
(c) feeble (d) nomadic
4. **Weariness**
(a) boordum (b) exhaustion
(c) happiness (d) confusion
5. **Weird**
(a) genteel (b) usual
(c) haunting (d) vulgar

6. **Whist** Preparation
 (a) fantasy (b) imbibition
 (c) sudden notion (d) sorcery
7. **Wither**
 (a) decay (b) flourish
 (c) call off (d) detached
8. **Wizard**
 (a) amateur (b) expert
 (c) piercing (d) idiot
9. **Word Processor**
 (a) dictionary
 (b) newspaper reporter
 (c) electronic text editor
 (d) vocabulary builder
10. **Worthy**
 (a) unethical
 (b) commendable
 (c) despicable
 (d) biosterious
- Y**
1. **Yeard**
 (a) to desire strongly, feel longing for
 (b) to evade
 (c) disgust
 (d) to look after

2. **Yeast**
 (a) food for the animals
 (b) food for the human beings
 (c) substance used in brewing etc.
 (d) food for the insects
3. **Yield**
 (a) acknowledge (b) withhold
 (c) languish (d) impair

Z

1. **Zealous**
 (a) slow (b) weary
 (c) worthy (d) enthusiastic
2. **Zenith**
 (a) point on the earth
 (b) point on the celestial sphere vertically above the observer's head
 (c) point on the sea
 (d) point on the moon
3. **Zest**
 (a) enthusiasm (b) Scrape
 (c) morose (d) furry

ANSWERS

1. b	22. a	44. b	66. c	88. c	3. c	25. c	14. a	36. c
2. b	24. d	46. d	68. c	90. a	5. b	27. a	16. b	38. b
3. c	25. b	47. b	69. a	91. a	6. a	28. c	17. c	39. c
4. d	26. c	48. a	70. c	92. a	7. d	29. a	18. c	40. d
5. a	27. b	49. a	71. a	93. b	8. a	30. c	19. c	41. a
6. a	28. a	50. a	72. b	94. c	9. a	31. a	20. c	42. a
7. b	29. c	51. c	73. d	95. a	10. d	21. b	43. d	
8. c	30. b	52. c	74. c	96. d	11. c	22. a	44. a	
9. a	31. a	53. a	75. b	97. a	12. a	1. b	23. b	45. c
10. b	32. a	54. d	76. a	98. b	13. d	2. c	24. a	46. a
11. c	33. a	55. a	77. a	99. d	14. d	3. a	25. a	47. c
12. a	34. a	56. b	78. c	100. c	15. c	4. d	26. d	48. c
13. b	35. c	57. b	79. b	101. a	16. a	5. b	27. b	49. d
14. b	36. d	58. d	80. a	102. c	17. b	6. a	28. c	50. c
15. b	37. b	59. c	81. b	103. a	18. d	7. a	29. c	51. c
16. c	38. d	60. c	82. d	104. b	19. b	8. d	30. c	52. b
17. b	39. b	61. b	83. a	105. b	20. a	9. a	31. a	53. d
18. a	40. a	62. a	84. c	106. a	21. b	10. c	32. b	54. c
19. c	41. a	63. a	85. c	22. c	11. a	33. b	55. a	
20. c	42. a	64. d	86. b	1. b	23. b	12. a	34. b	56. a
21. c	43. c	65. a	87. a	2. a	24. c	13. c	35. b	57. b

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58. c	1. b	49. b	19. a	5. a	11. b	5. c	53. c	6. d
59. b	2. b	50. b	20. a	6. a	12. c	6. b	54. a	7. d
60. d	3. a	51. d	21. d	7. a	13. a	7. a	55. b	8. a
61. a	4. a	52. b	22. d	8. a	14. a	8. c	56. c	9. d
62. b	5. c	53. a	23. a	9. c	15. c	9. c	57. b	10. a
63. a	6. a	54. a	24. a	10. a	16. a	10. b	58. a	
64. c	7. a	55. d	25. b	11. a	17. d	11. a	59. b	K
65. b	8. a	56. b	26. c	12. c	18. d	12. a	60. a	1. a
66. c	9. a	57. c	27. d	13. c	19. a	13. b	61. c	2. a
67. d	10. a	58. b	28. b	14. c	20. c	14. c	62. a	3. d
68. a	11. a	59. b	29. a	15. a	21. b	15. a	63. c	4. c
69. c	12. a	60. b	30. b	16. b	22. c	16. c	64. d	
70. c	13. c	61. a	31. a	17. c	17. c	65. c		L
71. a	14. a	62. d	32. a	18. b	H 18. a	66. c	1. d	
72. b	15. b	63. d	33. b	19. a	1. a	19. a	67. a	2. d
73. a	16. a	64. a	34. c	20. c	2. c	20. a	68. b	3. a
74. d	17. a	65. d	35. a	21. b	3. c	21. d	69. a	4. a
75. a	18. b	66. d	36. b	22. a	4. a	22. b	70. d	5. b
76. a	19. b	67. b	37. a	23. b	5. b	23. a	71. b	6. a
77. a	20. c	68. a	38. b	24. a	6. b	24. a	72. b	7. b
78. a	21. a	69. c	39. c	25. d	7. a	25. c	73. d	8. a
79. d	22. a	70. c	40. b	26. c	8. b	26. c	74. a	9. a
80. c	23. a	71. d	41. a	27. d	9. a	27. a	75. c	10. c
81. d	24. a	72. b	42. a	28. b	10. c	28. d	76. d	11. c
82. b	25. a	73. b	43. c	29. d	11. a	29. d	77. b	12. c
83. a	26. a	74. c	44. a	30. b	12. b	30. b	78. d	13. a
84. d	27. d	75. b	45. b	31. c	13. a	31. b	79. b	14. c
85. b	28. a	76. a	46. c	32. c	14. d	32. a	80. b	15. a
86. a	29. a	47. a	33. a	15. a	33. d	81. d	16. c	
87. b	30. a	E 48. a	34. a	16. c	34. d	82. a	17. a	
88. d	31. a	1. b	49. b	35. a	17. a	35. a	83. a	18. c
89. a	32. c	2. c	50. a	36. d	18. d	36. b	84. c	19. a
90. c	33. d	3. a	51. d	37. c	19. a	37. b	85. c	20. b
91. d	34. c	4. a	52. d	38. c	20. d	38. c	86. d	21. c
92. d	35. a	5. b	53. a	39. a	21. b	39. c	87. d	22. a
93. c	36. a	6. c	54. c	40. a	22. a	40. d	88. a	
94. c	37. a	7. a	55. c	23. a	41. c	89. c		M
95. a	38. c	8. a	56. d	G 24. d	42. c	90. a	1. a	
96. b	39. b	9. d	57. a	1. a	25. a	43. d	91. c	2. c
97. d	40. a	10. b	58. a	2. b	26. a	44. a	92. d	3. b
98. c	41. c	11. c	59. b	3. c	27. c	45. a	93. b	4. b
99. c	42. d	12. b	60. b	4. c	28. a	46. b		5. a
100. b	43. b	13. c	5. a	47. a			J 6. b	
101. d	44. a	14. a	F 6. a	I 48. a	1. b	7. c		
102. d	45. a	15. c	1. b	7. b	1. c	49. a	2. a	8. a
103. a	46. d	16. a	2. a	8. b	2. a	50. c	3. a	9. c
104. a	47. d	17. b	3. b	9. a	3. d	51. a	4. b	10. a
D 48. c	18. b	4. a	10. a	4. b	52. b	5. a	11. d	

- | | | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 12. c | | 11. a | 53. d | 26. a | 20. c | 62. b | 24. d | 16. c |
| 13. c | O | 12. c | 54. a | 27. a | 21. b | 63. b | 25. b | 17. a |
| 14. a | 1. a | 13. b | 55. a | 28. d | 22. c | 64. b | 26. c | 18. a |
| 15. d | 2. d | 14. c | 56. b | 29. a | 23. b | 65. d | 27. b | 19. b |
| 16. c | 3. a | 15. a | 57. c | 30. b | 24. a | 66. a | 28. c | 20. a |
| 17. a | 4. a | 16. d | 58. c | 31. a | 25. a | 67. a | 29. c | 21. c |
| 18. d | 5. b | 17. a | 59. c | 32. b | 26. c | 68. b | 30. b | 22. b |
| 19. d | 6. a | 18. b | 60. c | 33. a | 27. c | 69. c | | 23. b |
| 20. b | 7. a | 19. a | | 34. b | 28. b | 70. a | U | 24. a |
| 21. a | 8. d | 20. d | 1. c | 35. d | 29. a | 71. d | 1. a | 25. c |
| 22. a | 9. a | 21. a | 2. b | 36. a | 30. c | 72. a | 2. b | 26. a |
| 23. b | 10. b | 22. b | 3. c | 37. a | 31. a | 73. c | 3. b | 27. a |
| 24. c | 11. d | 23. a | 4. b | 38. b | 32. b | 74. a | 4. c | 28. b |
| 25. a | 12. b | 24. c | 5. d | 39. b | 33. a | 75. b | 5. a | |
| 26. c | 13. d | 25. d | 6. d | 40. d | 34. a | 76. d | 6. b | W |
| 27. a | 14. a | 26. c | | 41. c | 35. c | 77. b | 7. a | 1. a |
| 28. b | 15. b | 27. a | R | 42. a | 36. b | 78. c | 8. c | 2. b |
| 29. a | 16. a | 28. c | 1. a | 43. c | 37. c | | 9. d | 3. a |
| 30. b | 17. a | 29. b | 2. a | 44. c | 38. a | T | 10. a | 4. b |
| 31. a | 18. b | 30. b | 3. b | 45. c | 39. a | 1. a | 11. b | 5. c |
| 32. c | 19. a | 31. b | 4. c | 46. a | 40. b | 2. b | 12. a | 6. c |
| 33. b | 20. b | 32. d | 5. a | | 41. c | 3. c | 13. b | 7. a |
| 34. a | 21. c | 33. d | 6. b | S | 42. a | 4. a | 14. a | 8. b |
| 35. c | 22. a | 34. d | 7. d | 1. b | 43. d | 5. a | 15. b | 9. c |
| 36. c | 23. a | 35. c | 8. b | 2. a | 44. b | 6. b | 16. c | 10. b |
| 37. a | 24. d | 36. b | 9. c | 3. b | 45. b | 7. a | | |
| 38. d | 25. c | 37. a | 10. a | 4. a | 46. a | 8. b | V | Y |
| | 26. a | 38. b | 11. d | 5. a | 47. d | 9. a | 1. a | 1. a |
| N | 27. a | 39. a | 12. d | 6. b | 48. d | 10. a | 2. b | 2. c |
| 1. a | 28. b | 40. a | 13. a | 7. b | 49. b | 11. d | 3. a | 3. a |
| 2. a | | 41. c | 14. a | 8. a | 50. d | 12. c | 4. a | |
| 3. c | P | 42. c | 15. b | 9. a | 51. c | 13. a | 5. c | Z |
| 4. a | 1. a | 43. c | 16. c | 10. a | 52. a | 14. a | 6. b | 1. d |
| 5. b | 2. b | 44. a | 17. b | 11. a | 53. b | 15. a | 7. a | 2. b |
| 6. b | 3. a | 45. a | 18. a | 12. c | 54. a | 16. a | 8. c | 3. a |
| 7. a | 4. c | 46. d | 19. a | 13. b | 55. c | 17. d | 9. c | |
| 8. b | 5. a | 47. a | 20. a | 14. c | 56. a | 18. a | 10. a | |
| 9. a | 6. b | 48. a | 21. b | 15. b | 57. a | 19. a | 11. d | |
| 10. d | 7. a | 49. d | 22. a | 16. c | 58. c | 20. b | 12. b | |
| 11. a | 8. a | 50. a | 23. b | 17. b | 59. a | 21. a | 13. b | |
| 12. a | 9. c | 51. c | 24. a | 18. a | 60. c | 22. d | 14. c | |
| 13. b | 10. a | 52. d | 25. b | 19. a | 61. a | 23. a | 15. a | |

ANTONYMS

What are Antonyms?

A word which is opposite in meaning to the given word is called its Antonym.

Example: The antonym of word 'Autonomy' would be '*Dependence*'

TYPE 1: CHOOSING THE CORRECT ANTONYM OF THE GIVEN WORD

In this type of questions, generally a word is given, followed by four or five alternatives. The candidate is required to choose the word which is nearest to the opposite in meaning of the given word.

Example: Choose the correct antonym of the given word:

OBSCURE

- (a) Pedantic (b) Implicit (c) Explicit (d) Obnoxious

Solution: '*Obscure*' means 'secret'. So, the antonym would be '*Explicit*'.

Hence, the answer is (c).

A

- | | | | |
|---|-------------------------------------|--|---|
| 1. Abdicate
(a) Claim
(c) Plunder | (b) Snatch
(d) Seize | 11. Agony
(a) Pleasure
(c) Ecstasy | (b) Bliss
(d) Fear |
| 2. Acclamation
(a) Denunciation
(c) Termination | (b) Suppression
(d) Applause | 12. Alien
(a) Resident
(c) Domiciled | (b) Natural
(d) Native |
| 2. Accord
(a) Solution
(c) Dissent | (b) Act
(d) Concord | 13. Alienate
(a) Gather
(c) Assemble | (b) Identify
(d) Unite |
| 4. Acquisitive
(a) Miserly
(c) Simple | (b) Frugal
(d) Austere | 14. Alleviation
(a) Exaggeration
(c) Magnification | (b) Exasperation
(d) Intensification |
| 5. Acquit
(a) Confirm
(c) Punish | (b) Blame
(d) Indict | 15. Allure
(a) Repulse
(c) Entice | (b) Develop
(d) Decoy |
| 6. Acquitted
(a) Entrusted
(c) Burdened | (b) Convicted
(d) Freed | 16. Ambiguous
(a) Obscure
(c) Explicit | (b) Secular
(d) Applause |
| 7. Acumen
(a) Intelligence
(c) Potentiality | (b) Imbecility
(d) Unfamiliarity | 17. Ameliorate
(a) Lessen
(c) Expedite | (b) Hasten
(d) Worsen |
| 8. Admonish
(a) Commend
(c) Flatter | (b) Tolerate
(d) Approve | 18. Amenable
(a) Stubborn
(c) Obedient | (b) Docile
(d) Offensive |
| 9. Adversity
(a) Enmity
(c) Prosperity | (b) Severity
(d) Calamity | 19. Amicable
(a) Cunning
(c) Hostile | (b) Shy
(d) Crazy |
| 10. Affectation
(a) Love
(c) Likable | (b) Good
(d) Natural | 20. Amnesty
(a) Hostility
(c) Immunity | (b) Punishment
(d) Acquittal |

21. **Amplify**
(a) Mummify (b) Shock
(c) Curtail (d) Embalm
22. **Antipathy**
(a) Fondness (b) Obedience
(c) Agreement (d) Admiration
23. **Apposite**
(a) Inappropriate (b) Intemperate
(c) Inconsistent (d) Irregular
24. **Appropriate**
(a) Unskilled (b) Unsuitable
(c) Unqualified (d) Unable
25. **Arid**
(a) Plentiful (b) Productive
(c) Humid (d) Agreeable
26. **Aromatic**
(a) Tart (b) Disagreeable
(c) Sour (d) Odorous
27. **Arrogant**
(a) Proud (b) Meek
(c) Insolent (d) Rude
28. **Assert**
(a) Agree (b) Acquiesce
(c) Abjure (d) Abdicate
29. **Audacious**
(a) Timid (b) Vulgar
(c) Low (d) Unpractised
30. **Auspicious**
(a) Spicy (b) Unfavourable
(c) Conspicuous (d) Condemnatory
31. **Autonomy**
(a) Submissiveness
(b) Dependence
(c) Subordination
(d) Slavery

B

1. **Bacchanal**
(a) Cautious (b) Grave
(c) Cunning (d) Sober
2. **Balmy**
(a) Hard (b) Genuine
(c) Mild (d) Fragrant
3. **Banish**
(a) Abandon (b) Harbour
(c) Intrude (d) Drop
4. **Baroque**
(a) Direct (b) Straight
(c) Plain (d) Strong
5. **Base**
(a) Roof (b) Height
(c) Top (d) Climax

6. **Bashful**
(a) Daring (b) Boastful
(c) Upright (d) Confident
7. **Beguile**
(a) Persuade (b) Cheat
(c) Flatter (d) Smile
8. **Benevolence**
(a) Contempt (b) Malevolence
(c) Hatred (d) Derision
9. **Benign**
(a) Gracious (b) Sinister
(c) Novel (d) Humane
10. **Beseech**
(a) Bully (b) Solicit
(c) Demand (d) Dismiss
11. **Bizarre**
(a) Soft (b) Usual
(c) Gentle (d) Same
12. **Blatant**
(a) Noisy (b) Quiet
(c) Barren (d) Slow
13. **Blemish**
(a) Preserve (b) Purify
(c) Defect (d) Tarnish
14. **Bliss**
(a) Anguish (b) Sorrow
(c) Agony (d) Suffering
15. **Boisterous**
(a) Calm (b) Comfortable
(c) Good (d) Happy
16. **Boost**
(a) Hinder (b) Obstruct
(c) Discourage (d) Rebuke
17. **Brazen**
(a) Respectful (b) Innocent
(c) Delicious (d) Helpful

C

1. **Cajole**
(a) Dissuade (b) Detract
(c) Disclose (d) Confide
2. **Callous**
(a) Confident (b) Sentimental
(c) Sensitive (d) Capable
3. **Capacious**
(a) Changeable (b) Foolish
(c) Caring (d) Limited
4. **Capitulate**
(a) Conquer (b) Venerate
(c) Destroy (d) Surrender

5. **Capricious**
(a) Fixed (b) Solid
(c) Firm (d) Reliable
6. **Carnal**
(a) Sensuous (b) Spiritual
(c) Visionary (d) Imaginary
7. **Celibacy**
(a) Chastity (b) Misogyny
(c) Matrimony (d) Divorce
8. **Celibate**
(a) Profligate (b) Reprobate
(c) Extravagant (d) Prodigal
9. **Challenge**
(a) Admire (b) Accept
(c) Favour (d) Praise
10. **Choice**
(a) Refusal (b) Dilemma
(c) Harm (d) Approval
11. **Clarity**
(a) Exaggeration (b) Candour
(c) Confusion (d) Reserve
12. **Coarse**
(a) Beautiful (b) Soft
(c) Fine (d) Attractive
13. **Comic**
(a) Painful (b) Fearful
(c) Tragic (d) Emotional
14. **Commend**
(a) Suspend (b) Admonish
(c) Hate (d) Dislike
15. **Commodious**
(a) Limited (b) Expensive
(c) Numerous (d) Leisurely
16. **Communicative**
(a) Primitive (b) Passive
(c) Dumb (d) Reticent
17. **Compact**
(a) Shattered (b) Enlarged
(c) Spread (d) Diffused
18. **Comply**
(a) Refuse (b) Agree
(c) Disagree (d) Deny
19. **Conceal**
(a) Unfold (b) Reveal
(c) Open (d) Discover
20. **Condense**
(a) Lengthen (b) Expand
(c) Distribute (d) Interpret
21. **Confess**
(a) Deny (b) Refuse
(c) Contest (d) Contend
22. **Conform**
(a) Disappoint (b) Reform
(c) Deform (d) Dissent
23. **Conspicuous**
(a) Indifferent (b) Harmless
(c) Insignificant (d) Unknown
24. **Contented**
(a) Rash (b) Narrow-minded
(c) Gloomy (d) Disappointed
25. **Convene**
(a) Cancel (b) Adjourn
(c) Dissolve (d) Postpone
26. **Convex**
(a) Flat (b) Protuberant
(c) Full (d) Indented
27. **Covert**
(a) Clandestine (b) Open
(c) Virtuous (d) Wide
28. **Criticise**
(a) Judge (b) Appreciate
(c) Flatter (d) Analyse
29. **Cryptic**
(a) Superficial (b) Secret
(c) Artificial (d) Candid
30. **Culminate**
(a) Frustrate (b) Fail
(c) Abort (d) Defeat
31. **Culpable**
(a) Irresponsible (b) Careless
(c) Blameless (d) Defendable

D

1. **Dauntless**
(a) Cautious (b) Thoughtful
(c) Weak (d) Adventurous
2. **Dearth**
(a) Extravagance (b) Scarcity
(c) Abundance (d) Sufficiency
3. **Debacle**
(a) Regain (b) Progress
(c) Rise (d) Movement
4. **Debilitating**
(a) Strengthening (b) Enfeebling
(c) Occupying (d) Inhabiting
5. **Deceit**
(a) Reality (b) Trust
(c) Truthfulness (d) Fact
6. **Defection**
(a) Resignation (b) Invitation
(c) Joining (d) Co-operation

7. **Defiance**
(a) Obedience (b) Suspicion
(c) Dismay (d) Anxiety
8. **Deficit**
(a) Superfluous (b) Surplus
(c) Explicit (d) Implicit
9. **Degenerate**
(a) Create (b) Progress
(c) Restore (d) Reproduce
10. **Deliberate**
(a) Premeditated (b) Sparking
(c) Methodical (d) Impulsive
11. **Denounce**
(a) Defend (b) Gather
(c) Fight (d) Rally
12. **Density**
(a) Brightness (b) Clarity
(c) Intelligence (d) Rarity
13. **Deplete**
(a) Refund (b) Replenish
(c) Fulfil (d) Recover
14. **Derogatory**
(a) Immediate (b) Praising
(c) Opinionated (d) Roguish
15. **Despondency**
(a) Humility (b) Pleasure
(c) Cheerfulness (d) Excitement
16. **Deviate**
(a) Follow (b) Locate
(c) Break (d) Concentrate
17. **Devout**
(a) Irreverent (b) Sincere
(c) Homely (d) Magnificent
18. **Diabolic**
(a) Patient (b) Generous
(c) Kind (d) Simple
19. **Discrepancy**
(a) Variance (b) Inappropriate
(c) Consistency (d) Inconsistency
20. **Disdain**
(a) Depreciate (b) Admiration
(c) Penitence (d) Contempt
21. **Disingenuous**
(a) Industrious (b) Cumbersome
(c) Slothful (d) Naive
22. **Dissent**
(a) Agreement (b) Dispute
(c) Disunity (d) Controversy
23. **Dissipate**
(a) Sustain (b) Conserve
(c) Preserve (d) Maintain

24. **Dissuade**
(a) Incite (b) Persuade
(c) Advice (d) Instigate
25. **Dither**
(a) Cry (b) Refer
(c) Decide (d) Defer
26. **Diverge**
(a) Repulse (b) Converge
(c) Resurge (d) Constrict
27. **Dormant**
(a) Active (b) Modern
(c) Permanent (d) Transient
28. **Dusky**
(a) Visible (b) Fair
(c) Obscure (d) Shadowy
- E**
1. **Eclipse**
(a) Shine (b) Enlarge
(c) Goggle (d) Gleam
2. **Edification**
(a) Lamentation (b) Annotation
(c) Corruption (d) Segregation
3. **Embrace**
(a) Suspect (b) Harm
(c) Reject (d) Hurt
4. **Engulfed**
(a) Encircled (b) Groped
(c) Disfigured (d) Detached
5. **Epilogue**
(a) Conversation (b) Dialogue
(c) Dramatic (d) Prologue
6. **Erratic**
(a) Reliable (b) Right
(c) Punctual (d) Free
7. **Erudite**
(a) professional (b) Immature
(c) Unimaginative (d) Ignorant
8. **Escalate**
(a) Lessen (b) Subside
(c) Reduce (d) Heal
9. **Evacuate**
(a) Admit (b) Emerge
(c) Abandon (d) Invade
10. **Evident**
(a) Suspected (b) Disagreed
(c) Doubtful (d) Unimportant
11. **Evolving**
(a) Retreating (b) Stifling
(c) Stagnating (d) Suffering

12. **Exalt**
(a) Depreciate (b) Ennoble
(c) Glorify (d) Simplify
13. **Exasperate**
(a) Belittle (b) Annoy
(c) Please (d) Tarnish
14. **Execrable**
(a) Importable (b) Acceptable
(c) Desirable (d) Irritable
15. **Exhibit**
(a) Conceal (b) Prevent
(c) Withdraw (d) Concede
16. **Exodus**
(a) Restoration (b) Return
(c) Home-coming (d) Influx
17. **Exonerate**
(a) Compel (b) Accuse
(c) Imprison (d) Boldness
18. **Exotic**
(a) Poor (b) Inexpensive
(c) Ugly (d) Conventional
19. **Explicit**
(a) Inspiring (b) Plain
(c) Invigorating (d) Implied
20. **Extension**
(a) Condensation (b) Subtraction
(c) Diminution (d) Weakening
- F**
1. **Facsimile**
(a) Reproduction (b) Sincere
(c) Original (d) Engineered
2. **Factitious**
(a) Ridiculous (b) Genuine
(c) Engineered (d) Magnificent
3. **Fecund**
(a) Barren (b) Solid
(c) Unploughed (d) Hard
4. **Fickle**
(a) Diseased (b) Fast
(c) Constant (d) Quick
5. **Flurry**
(a) Disclose (b) Soothe
(c) Pelt (d) Achieve
6. **Forbidden**
(a) Allowed (b) Prohibited
(c) Agreed (d) Forsaken
7. **Foreigner**
(a) National (b) Stranger
(c) Native (d) Alien

8. **Former**
(a) Subsequent (b) Later
(c) Resultant (d) Earlier
9. **Foster**
(a) Repress (b) Nurture
(c) Crush (d) Support
10. **Frail**
(a) Vigorous (b) Weak
(c) Hardy (d) Strong
11. **Frantic**
(a) Calm (b) Hopeful
(c) Active (d) Bitter
12. **Fraternity**
(a) Hospitality (b) Hostility
(c) Brotherhood (d) Enmity
13. **Frugal**
(a) Gaudy (b) Generous
(c) Extravagant (d) Charitable
- G**
1. **Gather**
(a) Separate (b) Suspend
(c) Scatter (d) Spend
2. **Glib**
(a) Unwilling (b) Dumb
(c) Modest (d) Halting
3. **Glut**
(a) Dearth (b) Limit
(c) Drain (d) Supply
4. **Gorgeous**
(a) Desperate (b) Plain
(c) Fashionable (d) Sumptuous
5. **Gradually**
(a) Hastily (b) Suddenly
(c) Thoughtlessly (d) Impulsively
6. **Gratuity**
(a) Annuity (b) Stipend
(c) Discount (d) Wages
7. **Grim**
(a) Serious (b) Satisfying
(c) Delightful (d) Painful
- H**
1. **Haggard**
(a) Healthy (b) Animated
(c) Robust (d) Hearty
2. **Hamper**
(a) Open (b) Release
(c) Hold (d) Hasten
3. **Harmony**
(a) Hatred (b) Friction
(c) Discord (d) Enmity

Jobs Test Preparation

1. (a) Pitiabie (b) Scared
(c) Humble (d) Cowardly
5. Hawk
(a) Conciliation (b) Dove
(c) Pacifist (d) Pigeon
6. Hindrance
(a) Agreement (b) Cooperation
(c) Persuasion (d) Aid
7. Hoard
(a) Deposit (b) Supply
(c) Satisfy (d) Accumulate
8. Holy
(a) Offensive (b) Orthodox
(c) Profane (d) Obnoxious
- I
1. Ignore
(a) Support (b) Favour
(c) Redress (d) Accept
2. Illegible
(a) Clear (b) Imitable
(c) Clean (d) Readable
3. Illusory
(a) Deceptive (b) Real
(c) Imaginary (d) Certain
4. Illustrious
(a) Uneducated (b) Uncivilised
(c) Unintelligent (d) Unknown
5. Immerse
(a) Disinter (b) Douse
(c) Engross (d) Disappear
6. Impervious
(a) Penetrable (b) Hidden
(c) Tolerable (d) Gentle
7. Impound
(a) Generate (b) Strengthen
(c) Stimulate (d) Release
8. Impound
(a) Release (b) Strength
(c) Generate (d) Stimulate
9. Impulsive
(a) Cautious (b) Considerate
(c) Clever (d) Cunning
10. Indigenous
(a) Native (b) Cheap
(c) Foreign (d) Inferior
11. Indolent
(a) Desirable (b) Adequate
(c) Energetic (d) Consistent

12. Infallible

- (a) Erring (b) Untrustworthy
(c) Dubious (d) Unreliable
13. Inimical
(a) Friendly (b) Cheerful
(c) Neutral (d) Emotional
14. Insanity
(a) Sanity (b) Normality
(c) Lucidity (d) Sobriety
15. Inspid
(a) Nervous (b) Pungent
(c) Saucy (d) Sour
16. Intransigent
(a) Ever-ready (b) Faithful
(c) Flexible (d) Obedient
17. Intricate
(a) Foolish (b) Simple
(c) Straightforward (d) Easy
18. Intrude
(a) Withhold (b) Withdraw
(c) Accept (d) Surrender
19. Inveterate
(a) Stupid (b) Uneducated
(c) Ignorant (d) Inexperienced

J

1. Jeer
(a) Mourn (b) Praise
(c) Mock (d) Sneer
2. Jettison
(a) Rejoice (b) Surrender
(c) Accept (d) Defend
3. Jubilant
(a) Scared (b) Disturbed
(c) Gloomy (d) Quiet
5. Judicious
(a) Unequal (b) Unlawful
(c) Impure (d) Indiscreet
5. Juxtaposition
(a) Difference (b) Indifferent
(c) Opposition (d) Generous
(c) Separation
(d) Appropriateness

K

1. Kindle
(a) Ignite (b) Encourage
(c) Ignore (d) Extinguish
2. Knack
(a) Dullness (b) Balance
(c) Talent (d) Dexterity

L

1. Laconic
(a) Prolix (b) Profligate
(c) Prolific (d) Bucolic
2. Languid
(a) Smart (b) Energetic
(c) Fast (d) Ferocious
3. Lenient
(a) Obstinate (b) Annoyed
(c) Rude (d) Harsh
4. Lethal
(a) Safe (b) Playful
(c) Virulent (d) Forgiving
5. Levity
(a) Stupidity (b) Gravity
(c) Lofty (d) Absurdity
6. Lissome
(a) Ungainly (b) Huge
(c) Pungent (d) Crude
7. Loyal
(a) Rebellious (b) Courageous
(c) Faithful (d) Friendly
8. Luscious
(a) Dry (b) Sour
(c) Ugly (d) Stale
9. Luxuriant
(a) Barren (b) Small
(c) Ghastly (d) Decaying

M

1. Magnanimous
(a) Selfish (b) Naive
(c) Generous (d) Small
2. Malformed
(a) Felid (b) Sketchy
(c) Curvaceous (d) Shapely
3. Malice
(a) Honour (b) Ecstasy
(c) Goodwill (d) Happiness
4. Malicious
(a) Boastful (b) Indifferent
(c) Kind (d) Generous
5. Mammoth
(a) Dull (b) Weak
(c) Tiny (d) Bright
6. Masticate
(a) Gobble (b) Conceal
(c) Chew (d) Review
7. Meagre
(a) Average (b) Plentiful
(c) Extravagant (d) Excessive

8. Meticulous
(a) Slovenly
(c) Shaggy
9. Militant
(a) Religious
(c) Spiritual

10. Miserly
(a) Liberal (b) Spendthrift
(c) Charitable (d) Generous
11. Mitigate
(a) Stagnate (b) Suffer
(c) Aggravate (d) Instigate
12. Monologue
(a) Dialogue (b) Prologue
(c) Epilogue (d) Catalogue
13. Morbid
(a) Healthy (b) Clever
(c) Upright (d) Sickly
14. Mortal
(a) Eternal (b) Spiritual
(c) Immortal (d) Divine
15. Mundane
(a) Extraordinary (b) Superb
(c) Heavenly (d) Excellent

N

1. Naive
(a) Cunning (b) Wealthy
(c) Sophisticated (d) Complicated
2. Native
(a) Alien (b) Foreigner
(c) Newcomer (d) Stranger
3. Nimble
(a) Giant (b) Clumsy
(c) Quick (d) Frank
4. Novel
(a) Formal (b) Ancient
(c) Customary (d) Traditional
5. Nugatory
(a) Voluptuous (b) Slender
(c) Valuable (d) Worthless

O

1. Obsolete
(a) Conducive (b) Rare
(c) Useless (d) Recent
2. Obstinate
(a) Inflexible (b) Prominent
(c) Pliable (d) Fashionable
3. Onerous
(a) Straight-forward (b) Easy
(c) Complex (d) Plain

Jobs Test Preparation

4. **Jobless Preparation**
 (a) Misty (b) Covered
 (c) Clear (d) Transparent
5. **Opulent**
 (a) Wealthy (b) Poor
 (c) Sumptuous (d) Drooping
6. **Ostentatious**
 (a) Awkward (b) Banker
 (c) Ignorant (d) Unpretentious
7. **Overt**
 (a) Deep (b) Shallow
 (c) Secret (d) Unwritten

P

1. **Pacify**
 (a) Insult (b) Injure
 (c) Offend (d) Aggravate
2. **Paltry**
 (a) Strong (b) Worthwhile
 (c) Mean (d) Bitter
3. **Parsimonious**
 (a) Generous (b) Frugal
 (c) Crude (d) Stingy
4. **Passionate**
 (a) Calm (b) Arrogant
 (c) Sure (d) Fervent
5. **Patchy**
 (a) Clear (b) Simple
 (c) Uniform (d) Attractive
6. **Paternity**
 (a) Posterity (b) Successors
 (c) Offspring (d) Ancestors
7. **Paucity**
 (a) Surplus (b) Scarcity
 (c) Presence (d) Richness
 (e) Want
8. **Persistent**
 (a) Wavering (b) Obstinate
 (c) Enduring (d) Steady
9. **Persuasive**
 (a) Demoralizing (b) False
 (c) Discouraging (d) Unconvincing
10. **Pertinent**
 (a) Indifferent (b) Detached
 (c) Determined (d) Irrelevant
11. **Placate**
 (a) Embroil (b) Antagonize
 (c) Amuse (d) Pacify
12. **Pompous**
 (a) Feeble (b) Normal
 (c) Humble (d) Mild

13. **Precarious**
 (a) Dangerous (b) Safe
 (c) Cautious (d) Easy
14. **Presumption**
 (a) Resumption (b) Proposition
 (c) Humility (d) Assumption
15. **Preentious**
 (a) Deranged (b) Small
 (c) Depressing (d) Humble
16. **Prim**
 (a) Rash (b) Extravagant
 (c) Foul (d) Shameful
17. **Profane**
 (a) Arrogant (b) Benign
 (c) Respectful (d) Pious
18. **Prohibit**
 (a) Accept (b) Permit
 (c) Agree (d) Grant
19. **Propel**
 (a) Hide (b) Shove
 (c) Hesitate (d) Check
20. **Proscribe**
 (a) Interdict (b) Allow
 (c) Extend (d) Betray
21. **Provocation**
 (a) Destruction (b) Peace
 (c) Pacification (d) Vocation

Q

1. **Querulous**
 (a) Bright (b) Splendid
 (c) smart (d) Happy
2. **Quiescent**
 (a) Troublesome (b) Weak
 (c) Indifferent (d) Unconcerned

R

1. **Rabid**
 (a) Decent (b) Fair
 (c) Rational (d) Pure
2. **Radical**
 (a) Uncompromising (b) Basic
 (c) Thorough (d) Superficial
3. **Recede**
 (a) Rush (b) Advance
 (c) Approach (d) Forward
4. **Redolent**
 (a) Pesticised (b) Sticky
 (c) Yellowish (d) Stinking
5. **Relinquish**
 (a) Withdraw (b) Attack
 (c) Assume (d) Conquer

Jobs Test Preparation

6. **Reprisal**
 (a) Relief (b) Forgiveness
 (c) Exemption (d) Relaxation
7. **Requisite**
 (a) Dispensable (b) Random
 (c) Inappropriate (d) Chaotic
8. **Rescue**
 (a) Extricate (b) Waver
 (c) Bind (d) Desert
9. **Respite**
 (a) Tension (b) Exertion
 (c) Regularity (d) Delay
10. **Retain**
 (a) Reject (b) Renounce
 (c) Spare (d) Eject
11. **Retrieve**
 (a) Respond (b) Dismiss
 (c) Foil (d) Abandon
12. **Robust**
 (a) Thin (b) Emaciated
 (c) Light (d) Strong
13. **Rugged**
 (a) Delicate (b) Coarse
 (c) Tough (d) Timid
14. **Ruthless**
 (a) Mindful (b) Compassionate
 (c) Majestic (d) Merciful

S

1. **Sagacious**
 (a) Casual (b) Cunning
 (c) Foolish (d) False
2. **Sage**
 (a) Rogue (b) Fool
 (c) Egoist (d) Snob
3. **Salvage**
 (a) Outfit (b) Lose
 (c) Burn (d) Remove
4. **Sceptical**
 (a) Inquisitive (b) Hopeful
 (c) Indictive (d) Intuitive
5. **Scold**
 (a) Enamour (b) Rebuke
 (c) Criticise (d) Praise
6. **Seethe**
 (a) Plumb (b) Cool
 (c) Freeze (d) Chill
7. **Segregation**
 (a) Appreciation (b) Cohesion
 (c) Integration (d) Union

8. **Serene**
 (a) Agitated
 (b) Agitated
9. **Slur**
 (a) Promise
 (c) Credit (d) Virtue
10. **Smooth**
 (a) Ugly (b) Awkward
 (c) Hard (d) Rough
11. **Sanctify**
 (a) Dedicate (b) Patronise
 (c) Venerate (d) pollute
12. **Sordid**
 (a) Steady (b) Enthusiastic
 (c) Generous (d) Splendid
13. **Sparse**
 (a) Expensive (b) Heavy
 (c) Scattered (d) Lavish
14. **Spurious**
 (a) False (b) Genuine
 (c) Simple (d) Systematic
15. **Strenuous**
 (a) Unflinching (b) Irresolute
 (c) Unwavering (d) Lazy
16. **Strident**
 (a) Stable (b) Pleasant
 (c) Musical (d) Melodious
17. **Stringent**
 (a) Magnanimous (b) Lenient
 (c) Vehement (d) General
18. **Stubborn**
 (a) Willing (b) Consenting
 (c) Pliable (d) Easy
19. **Subjugate**
 (a) Enrich (b) Liberate
 (c) Enslave (d) Free
20. **Sublime**
 (a) Strange (b) Low
 (c) Ridiculous (d) Mean
21. **Subservient**
 (a) Aggressive (b) Dignified
 (c) Straightforward (d) Supercilious
22. **Superficial**
 (a) Artificial (b) Deep
 (c) Shallow (d) Real
23. **Sympathy**
 (a) Enmity (b) Cruelty
 (c) Abhorrence (d) Apathy
24. **Synthetic**
 (a) Cosmetic (b) Plastic
 (c) Affable (d) Natural

- T**
- Tedious**
(a) Pleasant (b) Lovely
(c) Lively (d) Gay
 - Tentative**
(a) Immediate (b) Urgent
(c) Developed (d) Final
 - Terrible**
(a) Horrible (b) Awesome
(c) Delightful (d) Hideous
 - Terse**
(a) Concise (b) Detailed
(c) Expressive (d) Descriptive
 - Theory**
(a) Imagination (b) Fact
(c) Chance (d) Thought
 - Thrift**
(a) Purchase (b) Destroy
(c) Waste (d) Invest
 - Tranquil**
(a) Impatient (b) Agitated
(c) Vociferous (d) Noisy
 - Trumpery**
(a) Defeat (b) Wastage
(c) Treasure (d) Vague
 - Turbid**
(a) Easy (b) Hazy
(c) Clear (d) Distinct
 - Turbulent**
(a) Turbid (b) Violent
(c) Steady (d) Critical

- U**
- Underhand**
(a) Cruel (b) Quiet
(c) Secret (d) Open
 - Undertaking**
(a) Resignation (b) Trial
(c) Refusal (d) Denial
 - Un sullied**
(a) visible (b) Foul
(c) Stainless (d) Strong
 - Urban**
(a) Country-made (b) Pastoral
(c) Provincial (d) Rural

- V**
- Vague**
(a) Known (b) Published
(c) Popular (d) Definite

- Validate**
(a) Legalise (b) Spurious
(c) Authenticate (d) Disprove
- Vanity**
(a) Modesty (b) Kindness
(c) Compassion (d) Moderation
- Vanquish**
(a) Surrender (b) Debase
(c) Destroy (d) Ruin
- Venerate**
(a) Accuse (b) Defame
(c) Criticise (d) Abuse
- Vigour**
(a) Failure (b) Negligence
(c) Frailty (d) Health
- Villify**
(a) Commend (b) Pray
(c) Admonish (d) Worship
- Vindicate**
(a) Exonerate (b) Condemn
(c) Defend (d) Excuse
- Virtue**
(a) Vice (b) Fraud
(c) Wickedness (d) Crime
- Virtuous**
(a) Scandalous (b) Vicious
(c) Wicked (d) Corrupt
- Voluntary**
(a) Ordered (b) Alternative
(c) Compulsory (d) Essential
- Vulgar**
(a) Refined (b) Cheerful
(c) Jolly (d) Relevant

- W**
- Wane**
(a) Swell (b) Prosper
(c) Fatten (d) Widen
 - Wonder**
(a) Stock (b) Amusement
(c) Expectation (d) Surprise
 - Wrath**
(a) Solace (b) Peace
(c) Delight (d) Cholera
 - Wreck**
(a) Make (b) Build
(c) Restore (d) Relieve

- Z**
- Zany**
(a) Cautious (b) Calculating
(c) Cunning (d) Save

- Jobs Test Preparation**
- Zeal**
(a) Hostility (b) Diffidence
(c) Apathy (d) Contempt
 - Zest**
(a) Restive (b) Callous
(c) Indifference (d) Distaste

ANSWERS

- A**
- | | | | |
|-------|-------|-------|-------|
| 1. a | 2. a | 3. c | 4. d |
| 5. d | 6. b | 7. b | 8. a |
| 9. c | 10. d | 11. c | 12. d |
| 13. b | 14. b | 15. a | 16. c |
| 17. d | 18. a | 19. d | 20. b |
| 21. c | 22. a | 23. a | 24. b |
| 25. c | 26. d | 27. d | 28. b |
| 29. a | 30. b | 31. b | |
- B**
- | | | | |
|-------|-------|-------|-------|
| 1. d | 2. a | 3. b | 4. c |
| 5. c | 6. d | 7. a | 8. b |
| 9. b | 10. c | 11. b | 12. b |
| 13. b | 14. c | 15. a | 16. a |
| 17. a | | | |
- C**
- | | | | |
|-------|-------|-------|-------|
| 1. d | 2. c | 3. d | 4. a |
| 5. d | 6. b | 7. c | 8. b |
| 9. b | 10. b | 11. c | 12. c |
| 13. c | 14. d | 15. a | 16. d |
| 17. b | 18. a | 19. b | 20. b |
| 21. a | 22. d | 23. c | 24. d |
| 25. a | 26. d | 27. b | 28. b |
| 29. d | 30. c | 31. d | |
- D**
- | | | | |
|-------|-------|-------|-------|
| 1. d | 2. c | 3. c | 4. a |
| 5. c | 6. c | 7. c | 8. d |
| 9. b | 10. d | 11. a | 12. d |
| 13. b | 14. b | 15. c | 16. a |
| 17. a | 18. c | 19. c | 20. b |
| 21. d | 22. a | 23. b | 24. b |
| 25. c | 26. b | 27. a | 28. b |
- E**
- | | | | |
|-------|-------|-------|-------|
| 1. a | 2. d | 3. c | 4. d |
| 5. d | 6. a | 7. d | 8. b |
| 9. a | 10. c | 11. c | 12. a |
| 13. c | 14. c | 15. b | 16. d |
| 17. b | 18. d | 19. d | 20. a |
- F**
- | | | | |
|-------|-------|-------|-------|
| 1. c | 2. b | 3. a | 4. d |
| 5. b | 6. a | 7. c | 8. d |
| 9. a | 10. b | 11. b | 12. b |
| 13. c | | | |
- H**
- | | | | |
|------|------|------|------|
| 1. b | 2. d | 3. c | 4. c |
| 5. d | 6. d | 7. b | 8. c |
- I**
- | | | | |
|-------|-------|-------|-------|
| 1. c | 2. d | 3. b | 4. d |
| 5. a | 6. a | 7. d | 8. a |
| 9. a | 10. c | 11. c | 12. c |
| 13. a | 14. a | 15. b | 16. c |
| 17. b | 18. b | 19. d | |
- J**
- | | | | |
|------|------|------|------|
| 1. b | 2. c | 3. c | 4. d |
| 5. c | | | |
- K**
- | | | | |
|------|------|--|--|
| 1. d | 2. a | | |
|------|------|--|--|
- L**
- | | | | |
|------|------|------|------|
| 1. a | 2. b | 3. d | 4. a |
| 5. b | 6. a | 7. a | 8. b |
| 9. a | | | |
- M**
- | | | | |
|-------|-------|-------|-------|
| 1. a | 2. d | 3. c | 4. d |
| 5. c | 6. a | 7. b | 8. a |
| 9. d | 10. d | 11. c | 12. a |
| 13. a | 14. c | 15. c | |
- N**
- | | | | |
|------|------|------|------|
| 1. c | 2. a | 3. b | 4. d |
| 5. c | | | |
- O**
- | | | | |
|------|------|------|------|
| 1. d | 2. c | 3. b | 4. d |
| 5. b | 6. d | 7. c | |
- P**
- | | | | |
|-------|-------|-------|-------|
| 1. c | 2. b | 3. a | 4. a |
| 5. c | 6. c | 7. a | 8. a |
| 9. a | 10. d | 11. b | 12. b |
| 13. b | 14. c | 15. d | 16. a |
| 17. d | 18. b | 19. d | 20. b |
| 21. c | | | |
- Q**
- | | | | |
|------|------|------|------|
| 1. d | 2. c | 3. b | 4. d |
| 5. b | 6. d | 7. c | |
- R**
- | | | | |
|-------|-------|-------|-------|
| 1. d | 2. b | 3. b | 4. d |
| 5. c | 6. b | 7. a | 8. d |
| 9. b | 10. c | 11. d | 12. b |
| 13. a | 14. d | | |
- S**
- | | | | | |
|------|------|------|------|----|
| 1. c | 2. b | 3. b | 4. b | 5. |
| d 6. | b 7. | c 8. | c 9. | c |

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10. d	11. d	12. c	13. d
14. b	15. d	16. b	17. b
18. d	19. b	20. c	21. b
22. b	23. d	24. d	

T

1. c	2. d	3. c	4. b
5. b	6. c	7. b	8. c
9. c	10. c		

U

1. d	2. c	3. b	4. d
------	------	------	------

V

1. d	2. d	3. a	4. a
5. b	6. c	7. a	8. b
9. a	10. b	11. c	12. a

W

1. b	2. c	3. c	4. c
------	------	------	------

Z

1. d	2. c	3. d	
------	------	------	--

COMMON ERRORS IN SENTENCES

Here we have given common sentences with common mistake. A careful study of these sentences is sure to help you to cultivate correct expression:

Errors in the Use of Nouns

- | | |
|--|---|
| 1. We received summons to attend the court. | 1. We received a summons to attend the court. |
| 2. Their sheeps are grazing in the field. | 2. Their sheep are grazing in the field. |
| 3. His hairs are white. | 3. His hair is white. |
| 4. We read many poetries. | 4. We read many poems. |
| 5. Aslam cannot see without spectacle. | 5. Aslam cannot see without spectacles. |
| 6. The sceneries of Swat are wonderful. | 6. The scenery of Swat is wonderful. |
| 7. Naseema's coat's colour is red. | 7. The colour of Naseema's coat is red. |
| 8. Aslam lost his trouser. | 8. Aslam lost his trousers. |
| 9. The table's leg is broken. | 9. The leg of the table is broken. |
| 10. Shazia has long hairs. | 10. Shazia has long hair. |
| 11. He bought two dozens eggs. | 11. He bought two dozen eggs. |
| 12. I gave ten piasas to the beggar. | 12. I gave a ten-paisa piece to the beggar. |
| 13. Do not make friend with bad boys. | 13. Do not make friends with bad boys. |
| 14. She has a fifty rupees note. | 14. She has a fifty-rupee note. |
| 15. I weigh above ten stones. | 15. I weigh above ten stone. |
| 16. Three litres of milk a day are enough for you. | 16. Three litres of milk a day is enough for you. |
| 17. Five miles are a long distance. | 17. Five miles is a long distance. |
| 18. A hundred piasas are equal to one rupee. | 18. A hundred paisa is equal to a rupee. |
| 19. Twenty thousands rupees are a large sum. | 19. Twenty thousand rupees is a large sum. |
| 20. The news are true. | 20. The news is true. |
| 21. We are his son-in-laws. | 21. We are his sons-in-law. |
| 22. I have many works to do. | 22. I have much work to do. |
| 23. Aftab is weak in mathematic. | 23. Aftab is weak in mathematics. |
| 24. He has a scissor. | 24. He has a pair of scissors. |
| 25. I am, your's obediently. | 25. I am, yours obediently. |

2. Common Errors in the use of pronouns

- | | |
|-------------------------------------|-------------------------------------|
| 1. Who is in the room? It is me. | 1. Who is in the room? It is I. |
| 2. My pen is more costly than your. | 2. My pen is more costly than yours |
| 3. I am your's faithfully. | 3. I am yours faithfully. |
| 4. Between you and I. | 4. Between you and me. |
| 5. None of these two have come | 5. None of these two has come. |
| 6. Neither of them were present. | 6. Neither of them was present. |
| 7. Who do you want to see? | 7. Whom do you want to see? |
| 8. Let us take his leave. | 8. Let us take leave of him. |
| 9. It is I who is to blame. | 9. It is I who am to blame. |

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|--|---|
| 10. Four men were fighting with each other. | 10. Four men were fighting with one another. |
| 11. These books are for you and she. | 11. These books are for you and her. |
| 12. I, you and he will help the poor. | 12. You, he and I will help the poor. |
| 13. Either of these boys have stolen my pen. | 13. Any of these boys has stolen my pen. |
| 14. One must do his duty. | 14. One must do one's duty. |
| 15. Anyone can do it if one tries. | 15. Anyone can do it if he tries. |
| 16. Farhana and Rizwana love one another. | 16. Farhana and Rizwana love each other. |
| 17. Only one of the boys were present. | 17. Only one of the boys was present. |
| 18. He is older than me. | 18. He is older than I. |
| 19. He is one of the teachers who has served the nation. | 19. He is one of the teachers who have served the nation. |
| 20. I must take your leave. | 20. I must take leave of you. |
| 21. There was no one but I. | 21. There was no one but me. |
| 22. A friend of you came to me. | 22. A friend of yours came to me. |
| 23. He keeps himself away from school. | 23. He keeps away from school. |
| 24. The fish weighs itself ten kilograms. | 24. The fish weighs ten kilograms. |
| 25. I feel myself unwell. | 25. I feel unwell. |

3. Common Errors in the use of Adjectives

- | | |
|---|---|
| 1. It is best house. | 1. It is the best house. |
| 2. My father gave me a holder. | 2. My father gave me a pen holder. |
| 3. My brother lives in boarding. | 3. My brother lives in a boarding house. |
| 4. He is junior than you. | 4. He is junior to you. |
| 5. He is senior than me. | 5. He is senior to me. |
| 6. He bought blotting. | 6. He bought a blotting paper. |
| 7. The fort is a worth seeing building. | 7. The fort is a building worth seeing. |
| 8. He is the tallest boy of the two. | 8. He is the taller boy of the two. |
| 9. Aslam is my older brother. | 9. Aslam is my elder brother. |
| 10. It is much fine today. | 10. It is very fine today. |
| 11. Each of us have a book. | 11. Each of us has a book. |
| 12. I worked whole the night. | 12. I worked the whole night. |
| 13. My family members are not at home. | 13. The members of my family are not at home. |
| 14. The climate of Lahore is hotter than Islamabad. | 14. The climate of Lahore is hotter than that of Islamabad. |
| 15. Rich should not hate poors. | 15. The rich should not hate the poor. |
| 16. I have no any money to give you. | 16. I have no money to give you. |
| 17. There are few books on the table. | 17. There are a few books on the table. |
| 18. She put little milk in the jug. | 18. She put a little milk in the jug. |
| 19. What is the last news. | 19. What is the latest news. |
| 20. He has many wealth. | 20. He has much wealth. |
| 21. Iqbal is greater than any poet. | 21. Iqbal is greater than any other poet. |
| 22. My all books were on the table. | 22. All my books were on the table. |
| 23. I am much sorry. | 23. I am very sorry. |
| 24. I shall not able to do this sum. | 24. I shall not be able to do this sum. |
| 25. He is sick of fever. | 25. He is ill of fever. |

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|---|--|
| 26. Open your book at seven page. | 26. Open your book at page seven. |
| 27. I read in the class ninth. | 27. I read in the ninth class. |
| 28. The postman gets a less salary. | 28. The postman gets a small salary. |
| 29. It is much fine today. | 29. It is very fine today. |
| 30. Little money is better than no money. | 30. A little money is better than no money. |
| 31. Many a man were present there. | 31. Many a man was present there. |
| 32. My name was the latest in the list. | 32. My name was the last in the list. |
| 33. He is a miser man. | 33. He is a miserly man. |
| 34. He is a coward person. | 34. He is a coward. OR
He is a cowardly person. |
| 35. From the two he is strong. | 35. He is the stronger of the two. |
| 36. From the three he is stronger. | 36. He is the strongest of the three. |
| 37. These all mangoes are ripe | 37. All these mangoes are ripe. |
| 38. He held the book in the both hands. | 38. He held the book in both his hands. |
| 39. Both men have not come. | 39. Neither man has come. |
| 40. An idle man should do some or other work. | 40. An idle man should do some work or other. |
| 41. Allama Iqbal is greater than any other poets. | 41. Allama Iqbal is greater than any other poet. |
| 42. This pen cost rupees thirty | 42. This pen cost thirty rupees. |
| 43. The horse is laming. | 43. The horse is lame. |
| 44. We want a shifting enquiry. | 44. We want a thorough enquiry. |
| 45. Much efforts bring their reward. | 45. Much effort brings its reward. |
| 46. Many villagers cannot write his own name. | 46. Many villagers cannot write their own name. |
| 47. He won a running cup. | 47. He won a challenge cup. |
| 48. Each and every person wore a hat. | 48. Each person wore a hat. OR
Every body wore a hat. |
| 49. He came a 2nd time. | 49. He came a second time |
| 50. We had picnic. | 50. We had a picnic |

4. Common Errors in the use of Articles

- | | |
|--|--|
| 1. Muslims read Holy Quran. | 1. The Muslims read the Holy Quran. |
| 2. My friend is a M.A. | 2. My friend is an M.A. |
| 3. Sun rises in east. | 3. The sun rises in the east. |
| 4. He reached school in an hour. | 4. He reached school in an hour. |
| 5. Indus is largest river of Pakistan. | 5. The Indus is the largest river of Pakistan. |
| 6. Do not make noise. | 6. Do not make a noise. |
| 7. Himalayas are highest mountains in world. | 7. The Himalayas are the highest mountains in the world. |
| 8. A black and red cow are grazing in the field. | 8. A black and red cow is grazing in the field. |
| 9. Dog is faithful animal. | 9. The dog is a faithful animal. |
| 10. I have got headache. | 10. I have got a headache |
| 11. Tokyo is as famous city as Lahore. | 11. Tokyo is as famous a city as Lahore. |
| 12. Higher we go, cooler it is. | 12. The higher we go, the cooler it is. |
| 13. He reads Nawa-e-Walt. | 13. He reads the Nawa-e-Walt. |
| 14. This is a news to you. | 14. This is news to you. |
| 15. My father is a honest man. | 15. My father is an honest man. |

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|---|---|
| 16. I am not at the fault. | 16. I am not at fault. |
| 17. The iron is a hard metal. | 17. Iron is a hard metal. |
| 18. One should do his duty. | 18. One should do one's duty. |
| 19. Rich should not hate poor. | 19. The rich should not hate the poor. |
| 20. You were in wrong. | 20. You were in the wrong. |
| 21. The English is language of English. | 21. English is the language of the English. |
| 22. The both friends helped each other. | 22. Both cite friends helped each other. |
| 23. Punjabies are religious by nature. | 23. The Punjabies are religious by nature. |
| 24. He left for Karachi day before yesterday. | 24. He left for Karachi the day before yesterday. |
| 25. A pen is mightier than a sword. | 25. A pen is mightier than the sword |

5. Common errors in the use of verbs

- | | |
|--|--|
| 1. We have taken our dinner. | 1. We have eaten our dinner. |
| 2. It will give us much pleasure to meet you. | 2. It shall give us much pleasure to meet you. |
| 3. He laid to rest. | 3. He laid himself down to rest. |
| 4. He hanged his coat. | 4. He hung his coat. |
| 5. He hung himself with a rope. | 5. He hanged himself with a rope. |
| 6. He wears a long beard. | 6. He has a long beard. |
| 7. A number of students is absent today. | 7. A number of students are absent today. |
| 8. I have written him. | 8. I have written to him. |
| 9. We kept silence. | 9. We kept silent. |
| 10. Grapes made its mouth to water. | 10. Grapes made its mouth water. |
| 11. I would rather to die than to beg. | 11. I would rather die than beg. |
| 12. I am living here for ten years. | 12. I have been living here for ten years. |
| 13. Did not you hear me? Yes I did not. | 13. Did not you hear me?" No I did not. |
| 14. This pencil is belong to me. | 14. This pencil belongs to me. |
| 15. He has come yesterday. | 15. He came yesterday. |
| 16. I will take my food when you went. | 16. I shall take my food when you go. |
| 17. If he will come I shall go. | 17. If he comes I shall go. |
| 18. It is raining since evening. | 18. It has been raining since evening. |
| 19. I dare not to go there. | 19. I dare not go there. |
| 20. He walks as if he was blind. | 20. He walks as if he were blind. |
| 21. Work hard lest you should not fail. | 21. Work hard that you should fail. |
| 22. The hen has laid egg. | 22. The hen has laid an egg. |
| 23. If I shall go to the fair, I shall buy toys for you. | 23. If I go to the fair, I shall buy toys for you. |
| 24. My head is paining. | 24. My head is aching. |
| 25. My book has stolen today. | 25. My book has been stolen today. |
| 26. The plate was broken from Sadia. | 26. The plate was broken by Sadia. |
| 27. The ship was drowned. | 27. The ship sank. |
| 28. You had better to leave the room. | 28. You had better leave the room. |
| 29. Do not speak a lie. | 29. Do not tell a lie. |
| 30. I have given my examination. | 30. I have taken my examination. |
| 31. The jury was divided. | 31. The jury were divided. |
| 32. They have come to take your leave. | 32. They have come to take leave of you. |
| 33. He has taken admission. | 33. He has got admission |

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|--|--|
| 34. Open the knot. | 35. He asked if we had taken our food. |
| 35. He asked had we taken our food. | 36. He asked what we were doing. |
| 36. He asked what are you doing? | 37. He pays no attention to what I say. |
| 37. He does not care for may words | 38. I do not care what you do |
| 38. I do not care for you. | 39. He does not take care of his money. |
| 39. He does not care for his money. | 40. He takes no care over his work. |
| 40. He does not care for his work. | 41. No one took care of him after his wife had died. |
| 41. No one care for him after his wife died. | 42. When he comes you must greet (or welcome) him. |
| 42. When he comes you must wish him. | 43. I must avenge my brother. |
| 43. I must revenge my brother. | 44. I must take revenge from my enemy. |
| 44. I roust revenge my enemy. | 45. Do not get up to mischief. |
| 45. Do not play mischiefs | 46. The ship sank. |
| 46. The ship was drowned. | 47. He refused to come. |
| 47. He denied to come. | 48. I had an operation on my leg. |
| 48. My leg has been operated | 49. Turn off the light. |
| 49. Shut the light. | 50. Turn on the light. |
| 50. Open the light. | |

6. Common Errors in the Use of Adverbs

- | | |
|---|--|
| 1. He came here four days before. | 1. He came here four days ago. |
| 2. I am very oblige to you. | 2. I am much oblige to you |
| 3. Do you know to swim? | 3. Do you know how to swim? |
| 4. This tea is very hot to drink. | 4. This tea is too hot to drink. |
| 5. Milk is quite useful for us. | 5. Milk is very useful for us. |
| 6. Rice sells dearly here. | 6. Rice sells dear here. |
| 7. The train runs fastly. | 7. The train runs fast |
| 8. I requested him to kindly help me. | 8. I requested him kindly to help me. |
| 9. This box is too strong. | 9. This box is very strong |
| 10. This letter is bad written. | 10. This letter is badly written. |
| 11. I went directly to his father. | 11. I went direct to his father. |
| 12. I am very happier today. | 12. I am very happy today |
| 13. Yes, I will not come. | 13. Yes, I will come |
| 14. No you must do it. | 14. No, you must not do it. |
| 15. It is bitter cold today. | 15. It is bitterly cold today. |
| 16. He plays hockey as his brother. | 16. He plays hockey like his brother. |
| 17. We scarcely see a bear. | 17. We rarely see a bear. |
| 18. Medicines are given free to the poor. | 18. Medicines are given freely to the poor |
| 19. The patient recovered by and by. | 19. The patient recovered gradually. |
| 20. I told you this long before. | 20. I told you this long ago. |
| 21. I am very much sorry. | 21. I am very sorry. |
| 22. He behaved cowardly. | 22. He behaved like a coward. |
| 23. He is a coward fellow. | 23. He is a cowardly fellow. |
| 24. You played good. | 24. You played well. |

25. The weather is cloudy, it will perhaps rain.

25. The weather is cloudy, it will probably rain.

7. Common Errors in the use of Prepositions

1. His wife is angry on him.
2. We write with ink.
3. He is suffering with fever.
4. He died from cholera.
5. She was married with him.
6. Put it in your pocket.
7. He played cards.
8. She loves with her children.
9. You are like a brother for me.
10. Look this word in the dictionary.
11. He passed in the examination.
12. He came here on train.
13. I am thankful of you.
14. What is the time in your watch?
15. We reached at the railway station.
16. He was pleased on us.
17. I shall say this at his fact.
18. Send this letter on his address.
19. The teacher beat me by a stick.
20. We shall reach there on 3 p.m.
21. Divide these oranges among two boys.
22. We differ from you in this matter.
23. I shall accompany with you.
24. He is ill from fever.
25. It is time to rest.
26. At last he passed in the examination.
27. The pen is to write.
28. This cheque is of the Habib Bank.
29. It is a cheque of Rs. 9000/-
30. He gets up at the sunrise.
31. I shall come after three days.
32. We are getting late from school.
33. He swore of God.
34. The examination begins from Saturday.
35. India is in the cast of Pakistan.
36. My father prevented me to fall.
37. I am not your friend since today.
38. I shall come to the office since tomorrow.
39. The patient has been operated.
40. They regret at the delay.

1. His wife is angry with him.
2. We write in ink.
3. He is suffering from fever.
4. He died of cholera.
5. She was married to him.
6. Put it into your pocket.
7. He plays the cards.
8. She loves her children.
9. You are like a brother to me.
10. Look up this word in the dictionary.
11. He passed the examination.
12. He came here by train.
13. I am thankful to you.
14. What is the time by your watch?
15. We reached the railway station.
16. He was pleased with us.
17. I shall say to his face.
18. Send this letter to his address.
19. The teacher beat me with a stick.
20. We shall reach there at 3 p.m.
21. Divide these oranges between two boys.
22. We differ with you in this matter.
23. I shall accompany you.
24. He is ill with fever.
25. It is time for rest.
26. At last he passed the examination.
27. The pen is to write with.
28. This cheque is on the Habib Bank.
29. It is a cheque for Rs. 9000/-
30. He gets up with the sun.
31. I shall come in three days.
32. We are getting late for school.
33. He swore by God.
34. The examination begins on Saturday.
35. India is to the cast of Pakistan.
36. My father prevented me from falling.
37. I am not your friend from today.
38. I shall come to the office from tomorrow.
39. The patient has been operated upon.
40. They regret the delay.

PUNCTUATION

USE OF CAPITALS

Words which begin with Capitals

- The first word of every sentence.
- The first word of every line of poetry.
- All proper nouns.
- Titles of persons, books, newspapers, magazines, poems etc.
The Finance Minister, the Qur'an, the Pakistan Times.
- Names of months, days, festivals etc.
- All important events.
War of Independence, French Revolution.
- All words used for God.
Lord, from Him we come, to Him we go.
- Names of languages.
English, Persian, Arabic.
- Single letters used as abbreviation.
B.A., L.L.B., M.A., M.Ed.

PUNCTUATION MARKS

The Full Stop is used:

- To mark the close of a sentence.
- To mark abbreviations.

COMMA IS USED

- To separate series of words of the same part of speech.
The room was decorated with buntings, balloons, charts, maps etc.
The rich and the poor, the black and the white, the strong and the weak are equal in the eyes of God.
- To separate nouns or pronouns in apposition:
Mahmood, Sultan of Ghazni, Mir Jafar, the Great traitor.
- To separate Absolute Phrase:
Being hungry, the wolf intended to devour the lamb.
- To separate coordinate clauses:
He came, he saw, he conquered.

- To separate certain Adverbs and Adverbial phrases:
Of course, I know all about him. In fact, I had known him all along.
- Before and after explanatory phrases:
He was young, say about thirty. His conduct, to tell you the truth, was rather doubtful.
- To indicate the omission and avoid the repetition of a verb:
I went to Paris, he, to London.
- To separate noun clauses from one another when they are objects to the same verb:
Who he is, or where he lives or how he earns his livelihood, is not known to us.
- To separate an Adverbial clause from its Principal clause, when the former precedes the latter:
If he invites me, I shall attend the party.

THE SEMI-COLON

- To separate independent parts of a sentence (clause) we are happy today; they are sad.
- To separate longer clauses of a compound sentence.
Honesty in thought and act has many advantages; it inspires others with confidence; it leads to clearness of thought, and it saves one from many errors.
Note: Only a comma is put before 'and'.
- To give greater emphasis to different clauses.
As Caesar loved me, I weep for him; as he was fortunate, I rejoice at it; as he was valiant, I honour him; but as he was ambitious, I slew him. So there is tears for his love; joy for his fortune; honour for his valour and death for his ambition.

THE COLON

- To introduce a quotation or an example and is followed by a dash.
(a) The General spoke as follows:--

- I came, I saw, I conquered.
- (b) The Principal advised the students:-
Take exercise and prolong your life.
- Before sentences which are grammatically independent, but are closely connected in sense.
His father was a famous man: he was no other than Rustam.

SIGN OF INTERROGATION OR QUESTION MARK

- When are you going abroad?
- Any objection, please?

SIGN OF EXCLAMATION

It is used after Interjections and phrases or sentences expressing sudden emotion or wish:--

- "Bravo my men! You are sure to win.
Alas! I have lost my purse.
Hurrah! We have won the match.
What a beautiful picture it is!

THE INVERTED COMMAS

They are used to give the exact words of a speaker or to enclose a quotation.

- She said, "I have fulfilled my promise".
- "Live and let live", is a golden principle.

THE DASH

It is used to indicate a break or an abrupt change of thought:-

He certainly helped me - but it was purely selfish.

THE HYPHEN

It is a shorter line than the Dash. It is used to connect the parts of compound words:-

Now-a-days; Commander-in-Chief, father-in-law.

APOSTROPHE

- It is used to indicate the omission of some letter or letters as in the Possessive case:
Cat's paw; lion's mane; Aftab's shoes.
Omission of letters:
'Tis = It is, can't = cannot, Hon'ble = Honourable
- It is also used to form the plurals of letters or figures.
Mind your P's and q's. M.A.'s

- Apostrophe s ('s) is not to be used with lifeless things.
Thus we cannot say
book's cover
or
chair's legs

Relationship with lifeless things is shown by the proposition 'of' as

Cover of this book is red or who has broken the leg of that chair?

Exceptions: At his finger's ends,

- to his heart's content;
for mercy's sake;
the boat's crew,
the ship's passengers, etc.

- If the last syllable of a Singular Noun ends with "s" or "ce" and the noun is followed by "sake" the apostrophe s ('s) is omitted.
For goodness sake.
For conscience sake.
- The "s" after the apostrophe is omitted after all the plural Nouns ending in "s", as cats' nails, ladies' hats, horses' nails.
- If a Plural Noun does not end in "s" the possessive is formed by adding apostrophe ('s).
Men's hats. Children's bags
- If two Nouns are in Apposition the apostrophe 's is attached to the latter, as
This is Allama Iqbal, the Poet of the East's tomb.

THE BRACKET

It is used to enclose parenthetical clauses in a sentence.

The Holy Prophet (May peace be upon him).

Jobs **SENTENCE PUNCTUATION**

Directions: In this section four sentences a, b, c and d are given. Candidate is to find out correctly punctuated sentence.

1. (a) He lost lands, money, reputation and friends.
(b) He lost, lands money, reputation and friends!
(c) He, lost lands money, reputation and, friends.
(d) He lost lands, money, reputation, and friends.
2. (a) It was a long, dull, and wearisome journey.
(b) It was, a long dull, and wearisome journey.
(c) It was a long dull and wearisome journey.
(d) It was a long, dull and wearisome, journey.
3. (a) To speak frankly I know, nothing about the subject.
(b) To speak frankly I know nothing about the subject.
(c) To speak frankly I know nothing, about the subject.
(d) To speak frankly, I know nothing about the subject.
4. (a) It is mind, after all which does the work of the world.
(b) It is mind after all which does the work of the world.
(c) It is mind after all, which does the work of the world.
(d) It is mind after all which, does the work of the world.
5. (a) He will succeed; you, never.
(b) He will succeed you, never.
(c) He will succeed you never.
(d) He will succeed, you never.
6. (a) Steam, propels elevates lowers, pumps drains pulls drives etc.
(b) Steam propels, elevates, lowers, pumps, drains, pulls, drives, etc.
(c) Steam, propels elevates, lowers pump, drains pulls, drives etc.
(d) Steam propels elevates lowers pumps drains pulls drives etc.
7. (a) The lion, which was once to be found in many parts of India is now practically extinct in that country.
(b) The lion which was once, to be found, in many parts of India is now practically extinct in that country.
(c) The lion, which was once to be found in many parts of India, is now practically extinct in that country.
(d) The lion which was, once to be found in many parts of India is now practically extinct in that country.
8. (a) He cried out and said, all this is the result of my pride.
(b) He cried out and said all this is the result of my pride.
(c) He cried out, and said "all this is the result of my pride".
(d) He cried out and said, "all this is the result of my pride".
9. (a) Man proposes, God disposes.
(b) Man proposes: God disposes.
(c) Man, proposes God disposes.
(d) Man proposes "God disposes".
10. (a) Where was he born? where did he die?
(b) Where was he born where did he die?
(c) Where was he born: where did he die.
(d) Where was he born, where did he die?
11. (a) It may be asked "who that man is".
(b) It may be asked, who that man is?
(c) It may be asked who that man is?
(d) It may be asked who that man is.
12. (a) The climate of Murree is, I think very pleasant.
(b) The climate of Murree is, I think, very pleasant.
(c) The climate of Murree is I think very pleasant.
(d) The climate, of Murree is I, think, very pleasant.
13. (a) I have no money, therefore I can't join you.
(b) I have no money therefore; I can't join you.

- (c) I have no money, therefore I can't join you.
- (d) I have no money therefore I can't join you.
14. (a) Life is worth living, for it is so happy and enjoyable.
(b) Life is worth living for, it is so happy and enjoyable.
(c) Life is worth living for it is so happy, and enjoyable.
(d) Life is worth living; for it is so happy and enjoyable.
15. (a) The basic beliefs of Islam are: God, Prophet, The Book.
(b) The basic beliefs of Islam are, God, Prophet the Book.
(c) The basic beliefs, of Islam are God, Prophet, the Book.
(d) The basic beliefs of Islam, are: god, prophet, the book.
16. (a) The principal says, respect your elders.
(b) The principal says: "Respect your elders".
(c) The principal says respect your elders.
(d) The principal, says "respect your elders".
17. (a) Alas, I have been cheated.
(b) Alas I have been cheated.
(c) Alas! I have been cheated.
(d) Alas, I have been, cheated.
18. (a) The Holy Prophet (peace be upon him), "said do not drink do not gamble do not bury your daughters alive".
(b) The Holy Prophet, (peace be upon him) "said do not drink do not gamble do not bury your daughters alive".
(c) The Holy Prophet peace be upon him said, "do not drink, do not gamble, do not bury your daughters alive".
(d) The Holy Prophet (peace be upon him) said, "Do not drink, do not gamble, do not bury your daughters alive".
19. (a) The speaker said, "The holy quran says, "worship Allah". alone.
(b) The speaker said, The Holy Quran says, "Worship Allah alone".
(c) The speaker said, The Holy Quran says worship Allah. alone.
(d) The speaker said, "The Holy Quran" says worship Allah alone.
20. (a) I wrote to Dr. Rafiq, the author of, "The History of Islam".
(b) I wrote to Dr. Rafiq the author of, The History of Islam.
(c) I wrote, to, Dr. Rafiq the author, of The History of Islam.
(d) I wrote to Dr. Rafiq, the author of, 'the history of islam'.
21. (a) They went to Karachi on The Independence Day.
(b) They went to Karachi on, The Independence Day.
(c) They went to Karachi on "The Independence Day".
(d) They went, to Karachi on, 'the independence day'.
22. (a) The Muslims got, a glorious Victory in' the Battle of Badr.
(b) The Muslims got a glorious Victory in 'The Battle of Badr'.
(c) The Muslims got a 'glorious Victory' in the Battle of Badr.
(d) The Muslims got a glorious Victory, in the Battle of Badr.
23. (a) Why he is absent where has he gone?
(b) Why he is absent, where has he gone?
(c) Why he is absent? Where has he gone?
(d) Why he is absent; where has he gone.
24. (a) She said, "I am learning English well".
(b) She said I am, learning English well.
(c) She said, I am learning English well.
(d) She said, I am "learning English well".
25. (a) This fruit is known "medicine for weak people".
(b) This fruit is, known, medicine for weak people.
(c) This fruit is known, "medicine for weak people".

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- (d) This is a known medicine, for weak people.
26. (a) What a beautiful picture it is.
(b) What a beautiful picture it is!
(c) What a beautiful picture, it is.
(d) What, a beautiful picture it is!
27. (a) Alas, I have lost my pen.
(b) Alas I have lost, my pen!
(c) Alas! I have lost my pen.
(d) Alas I have lost my pen.
28. (a) Our father said, "you should never waste your time".
(b) Our father said "you should never waste your time".
(c) Our father said, you should never waste your time.
(d) Our father said: "You should never waste your time".
29. (a) Asif, Salma and Azra were talking about their college, about their studies and games.
(b) Asif, Salma, and Azra were talking about their college: about their studies and games.
(c) Asif, Salma, and Azra, were talking about their college, about their studies and games.
(d) Asif Salma and Azra were talking about their college, about their studies and games.
30. (a) "She is my friend", said Salma, "though we do not meet".
(b) She is my friend said Salma, though we do not meet.
(c) She is my friend, said Salma, though we do not meet.
(d) She is my friend said Salma "though we do not meet".
31. (a) He wrote his exercise neatly, quickly and correctly.
(b) He wrote his exercise, neatly quickly and correctly.
(c) He wrote his exercise neatly, quickly, and correctly.
(d) He wrote his exercise, neatly, quickly, and correctly.
32. (a) Early to bed and early to rise, makes a man healthy wealthy and wise.
(b) Early to bed and early to rise, Makes a man healthy, wealthy, and wise.
(c) Early to bed, and early to rise, makes a man, healthy, wealthy and wise.
(d) Early to bed and early to rise, makes a man healthy, wealthy, and wise.
33. (a) Here is, your book father.
(b) Here, is your book father.
(c) Here is your book father.
(d) Here is your book, father.
34. (a) Friends, Romans, countrymen: lend me your ears.
(b) Friends Romans countrymen, lend me your ears.
(c) Friends Romans, countrymen, lend me your ears.
(d) Friends, Romans, countrymen, lend me your ears.
35. (a) Ceaser having conquered his enemies, returned to Rome.
(b) Ceaser, having 'conquered' his enemies, returned to Rome.
(c) Ceaser, having conquered his enemies, returned to Rome.
(d) Ceaser having conquered, his enemies, returned to Rome.
36. (a) "Go then", said the ant, "and dance winter away".
(b) Go then said the ant and "dance winter away".
(c) "Go then said the ant and dance winter away".
(d) "Go then" said the ant and dance winter away.
37. (a) I was the first, to come here, shouted the man.
(b) "I was the first to come here", shouted the man.
(c) I was the first, to come here, shouted the man.
(d) I was the first to come here shouted the man.
38. (a) The drowning man, shouted, help.
(b) The drowning man shouted help!
(c) The drowning man shouted 'help'.
(d) The drowning man shouted 'Help'

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39. (a) He is not a mad man but, a knave.
(b) He is not a mad man, but a knave.
(c) He is not a mad man, but a knave.
(d) He is, not a mad man but a knave
40. (a) Who he was or, why he came or, whether he will come at all or, whether he is even alive.
(b) Who he was, or why he came, or whether he will come at all? or whether he is even alive?
(c) Who he was, or why he came, or whether he will come at all, or whether he is even alive.
(d) Who he was or why he came or whether he will come at all or whether he is even alive.
41. (a) I am to tell you, the truth thoroughly sick of work.
(b) I am to tell you'the truth, thoroughly sick of work.
(c) I am, to tell you the truth thoroughly sick of work.
(d) I am, to tell you the truth, thoroughly sick of work.
42. (a) Between fame and true honour there is much difference, the former is blind applause, the later is an internal and more silent homage.
(b) Between fame, and true honour, there is much difference, the former is blind applause, the later is an internal and more silent homage.
(c) Between fame and true honour there is much difference: the former is blind applause: the later is an internal and more silent homage.
(d) Between fame and true honour there is much difference; the former is blind applause; the later is an intergal and more silent homage.
43. (a) I met him as he was leaving his house: otherwise I should not have known where he lived.
(b) I met him as he was leaving his house; otherwise I should not have known where he lived.
(c) I met him as he was leaving his house, otherwise I should not have known where he lived.
(d) "I met him as he was leaving his house" otherwise "I should not have known where he lived".
44. (a) By night, or by day, at home, or abroad asleep, or awake he is constant source of anxiety to his father
(b) By night or by day, at home or abroad, asleep or awake, he is constant source of anxiety to his father.
(c) By night or by day; at home or abroad, asleep or awake; he is constant source of anxiety to his father.
(d) By night or by day! at home or abroad! asleep or awake! he is constant source of anxiety to his father.
45. (a) In fact, his poetry is no better than prose.
(b) In fact his poetry is, no better than prose.
(c) In fact his poetry is no better, than prose.
(d) In fact his poetry, is no better than, prose:
46. (a) At last, he has gained, his point.
(b) At last he has gained his, point.
(c) At last, he has gained his point
(d) At last; he has gained his point.
47. (a) Agreed said the pnce, "we will go there tonight".
(b) Agreed, said the prince, we will go there tonight.
(c) "Agreed said the pnce we will go there tonight".
(d) "Agreed", said the prince, "we will go there tonight".
48. (a) If you start to panic in the examination room, close your eyes and say, no, in your mind.
(b) If you start to panic in the examination room, close your eyes and say "no" in your mind.
(c) If you, start to panic in the examination room close your eyes and say "no in your mind".
(d) If you start to panic in the examination room, close your eyes and say no in your mind.
49. (a) Raza's sister is thirty year old.
(b) Razas sister, is thirty year old.

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- (c) Razas sister is thirty year old.
(d) "Razas sister is thirty year old".
50. (a) Tens are numbers, like forty; fifty; sixty; seventy; eighty; and ninety.
(b) Tens are numbers like, forty, fifty, sixty, seventy, eighty, and ninety.
(c) Tens are numbers like forty, fifty, sixty, seventy, eighty and ninety.
(d) Tens are numbers like forty fifty sixty seventy eighty and ninety.
51. (a) I don't see Humza, anywhere he must have left early.
(b) I don't see Humza anywhere, he must have left early.
(c) I don't see Humza anywhere; he must have left early.
(d) I don't see, Humza anywhere he must have left early:
52. (a) He is taking a walk, he must be feeling better now.
(b) He is taking a walk: he must be feeling better now.
(c) He is, taking a walk he must be feeling better now.
(d) He is taking a walk; he must be feeling better now.
53. (a) When I was, learning to drive my father let me use his car.
(b) When I was learning to drive; my father let me use his car.
(c) When I, was learning to drive, my father let me use his car.
(d) When I was learning to drive, my father let me use his car.
54. (a) If water freezes, it becomes a solid.
(b) If water, freezes it becomes a solid.
(c) If water freezes "it becomes a solid".
(d) If water freezes; it becomes a solid.
55. (a) I owe you fifty rupees, don't I?
(b) I owe you fifty rupees don't I?
(c) I owe you, fifty rupees don't I.
(d) I owe you fifty rupees, don't I.
56. (a) He understood the question didn't he?
(b) He understood the question, didn't he?
(c) He understood the question, didn't he.
- (d) He understood the question didn't he.
57. (a) Every student, has to register before the end of the first week of class "didn't he".
(b) Every student has to register before the end of the first week of class, didn't he?
(c) "Every student has to register before the end of the first week of class, didn't he"?
(d) "Every student has to register before the end of the first week of class", didn't he.
58. (a) Although we often use, speed and velocity, interchangeably in a technical sense speed is not always the same, as velocity.
(b) Although we often use speed, and velocity, interchangeably, in a technical sense speed is, not always the same, as velocity.
(c) Although we often use "speed" and "velocity" interchangeably, in a technical sense, "speed" is not always the same as "velocity".
(d) Although we often use "speed" and "velocity" interchangeably, in a technical sense "speed" is not always the same as "velocity".
59. (a) We respect Harris, although he is stern he is fair.
(b) We respect Harris, although he is stern, he is fair.
(c) We respect Harris, although he is stern; he is fair.
(d) We respect Harris although he is stern, he is fair.
60. (a) Javed Raza Amjad and Arshad have passed.
(b) Javed, Raza, Amjad, and Arshad have passed.
(c) Javed, Raza, Amjad and, Arshad have passed.
(d) Javed, Raza, Amjad, and Arshad, have passed.
61. (a) Why is he absent? Where has he gone?
(b) Why is he absent, Where has he gone?
(c) Why is he absent? Where has he gone?
(d) Why is he absent? Where has he gone!

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- (a) The judge said to the thief, "Let me know the true facts of the case, tell me all about the incident".
(b) The judge said to the thief, "Let me know the true facts of the case. Tell me all about the incident".
(c) The judge said to the thief, let me know the true facts of the case. Tell me all about the incident.
(d) The judge said to the thief, "Let me know the true facts of the case. "Tell me all about the incident".
62. (a) Jeans wrote, a few stars are hardly bigger than earth.
(b) Jeans wrote: "a few stars are hardly bigger than earth".
(c) Jeans wrote: a few stars are hardly bigger than earth.
(d) Jeans wrote "a few stars are hardly bigger than earth".
63. (a) They were talking about the "new" plan of their friends.
(b) They were, talking about the new plan of their friends.
(c) They were talking about the new plan, of their friends
(d) They were talking "about the new plan of their friends".
64. (a) What a beautiful picture it is!
(b) What a beautiful picture it is?
(c) What a beautiful picture, it is.
(d) What a beautiful picture it is
65. (a) We study these subjects, English, Urdu, and History.
(b) We study these subjects: English, Urdu, and History.
(c) We study these subjects; English; Urdu; and History.
(d) We study these subjects English Urdu and History.
66. (a) I said to the teacher, "May I come in Sir"?
(b) I said to the teacher, "May I come in, Sir"?
(c) I said to the teacher, May I come in Sir.
(d) I said to the teacher, May I come in Sir?
67. (a) Miandad said, "Hurrah we have after all won the world cup, How happy and lucky this team is".
(b) Miandad said, "Hurrah! we have, after all, won the world cup! How happy and lucky this team is!"
(c) Miandad said, "Hurrah we, have after all won the world cup! How happy and lucky this team is?"
(d) Miandad said, "Hurrah! we have after all won the world cup, How happy and lucky this team is".
68. (a) The oldman said, "My sons, I am dying".
(b) The oldman said, my sons, I am dying".
(c) The oldman said, "My sons, I am dying".
(d) The oldman said my sons I am dying
69. (a) He is very intelligent, punctual, honest, and obedient.
(b) He is very intelligent punctual honest and obedient.
(c) He is very intelligent; punctual; honest; and, obedient.
(d) He is, very intelligent, punctual, honest and, obedient.
70. (a) We visited Islamabad, the capital of Pakistan.
(b) We visited, Islamabad the capital, of Pakistan.
(c) We visited Islamabad the capital of Pakistan.
(d) We visited Islamabad; the capital of Pakistan.
71. (a) The climate, of Murree is, I think very pleasant.
(b) The climate of Murree is, I think, very pleasant.
(c) The climate of Murree is, I think very pleasant.
(d) The climate of Murree is I think very pleasant.
72. (a) I have no money: therefore, I can't join you.
(b) I have no money, therefore I can't join you.
(c) I have no money, therefore, I can't join you.

- (d) I have, no money therefore, I can't join you.
75. (a) Ahmad's watch was stolen by his father's servant.
(b) Ahmads watch was stolen by his fathers servant.
(c) Ahmads watch was stolen, by his fathers servant.
(d) Ahmads watch, was stolen, by his father's servant.
76. (a) If I were the president, but why to be so ambitious.
(b) If I were the president — but why to be so ambitious.
(c) If I were the president: but why to be so ambitious.
(d) If I were, the president but, why to be so ambitious.
77. (a) Students; their parents; and teachers — all attended the funeral.
(b) Students, their parents, and teachers — all attended the funeral.
(c) Students their parents and, teachers, all attended the funeral.
(d) Students; their parents, and teachers; all attended the funeral.
78. (a) Let us hope for a time — when there will be perfect peace in the world.
(b) Let us, hope for a time, when there will be perfect peace in the world.
(c) Let us hope for a time; when there will be perfect peace, in the world.
(d) Let us, hope for a time; when there will be perfect peace, in the world.
79. (a) He left for Hajj on Friday, the 16th of May, 1992.
(b) He left for 'Hajj' on Friday, the 16th of May, 1992.
(c) He left, for 'Hajj' on Friday the 16th of May 1992.
(d) He left for Hajj on Friday, the 16th of May, 1992.
80. (a) They said, "Alas! we have lost a great leader"
(b) They said, "Alas we have lost a great leader".
(c) They said, Alas, we have lost a great leader.
- (d) They said Alas, we have lost a great leader.
81. (a) His uncle said, what a stupid fellow you are!
(b) His uncle said, "what a stupid fellow you are!"
(c) His uncle said, "what a stupid fellow you are".
(d) His uncle said, "what a stupid fellow, you are?"
82. (a) They said, "How beautiful the garden is!"
(b) They said, How beautiful the garden is!
(c) They said, "How beautiful the garden is!"
(d) They said, "How beautiful the garden is".
83. (a) Just have a look at the great things scientist, have done! Guns, rifles, bombs, tanks, etc.
(b) Just have a look, at the great things scientist have done: guns, rifles, bombs, tanks etc.
(c) Just have a look at the great things, scientist have done, guns, rifles, bombs, tanks etc.
(d) Just have a look at the great things scientist have done! Guns rifles bombs tanks, etc.
84. (a) The duties required of you are: develop a sound sense of discipline, character, and initiative.
(b) The duties required of you are, develop a sound sense of discipline, character, and initiative.
(c) The duties required of you are develop a sound sense of discipline character and initiative.
(d) The duties required of you are, develop a sound sense of discipline character and initiative.
85. (a) A person, who believe in Islam, is called, Muslim!
(b) A person who believe in Islam is called 'Muslim'.
(c) A person who believe in Islam is called Muslim.
(d) A person, who believe in Islam is called Muslim.

85. (a) Plato the well-known scholar defined man, as social animal.
(b) Plato, the well-known scholar, defined man as 'social animal'.
(c) Plato, the well-known scholar defined man, as social animal.
(d) Plato, the well-known scholar defined, man as 'social animal'.
86. (a) His father was a famous man: he was no other than Rustum.
(b) His father was a famous man, he was no other than Rustum
(c) His father, was a famous man: He was no other than Rustum.
(d) His father, was a famous man, he was no other than, Rustum.
87. (a) Bravo my men! you are sure to win.
(b) Bravo my men, you are sure to win.
(c) Bravo my men, yo are sure to win.
(d) Bravo my men you are sure to win.
88. (a) Why are you still lying in bed? said the mother.
(b) "Why are you still lying in bed", said the mother.
(c) Why are you still lying in bed said the mother?
(d) "Why are you still lying in bed?" said the mother.
89. (a) When he came to the barbers shop, he said to him, Sir, here is a load of wood, do you want to buy some.
(b) When he came to the barber's shop, he said to him, "Sir, here is a load of wood. Do you wish to buy some?"
(c) When he came to the barber's shop he said to him, Sir, here is a load of wood. Do you want to buy some.
(d) When he, came to the barber's shop, he said to him, Sir, here is a load of wood. Do you want to buy some.
90. (a) "Your Majesty", said he, "If I tell you the truth, will you promise not to punish me?"
(b) Your majesty said he, "if I tell you the truth will you promise not to punish me?"
(c) "Your majesty" said he, if I tell you the truth will you promise not to punish me.
- (d) "Your majesty" said he. "if I tell you the truth will you promise not to punish me".
91. (a) "It was you, Rasheed, who did this".
(b) "it" was you Rasheed, who did this?
(c) It was you Rasheed who did this.
(d) "It was you, rasheed who did this".
92. (a) Baber having conquered his enemies, came to his capital.
(b) Babar, having conquered his enemies, came to his Capital.
(c) Baber, having conquered his enemies came to his capital.
(d) Baber having conquered, his enemies came to his capital.
93. (a) Men may come, and men may go but I go on for ever
(b) Men may come and men may go, but I go on for ever
(c) Men, may come and men may go, but I go on for ever.
(d) Men may come, and men may go, but I go on for ever
94. (a) Shakespeare says, the valiant never taste of death but once
(b) Shakespeare says, the valiant never taste of death, but once
(c) Shakespeare says, "the valiant never taste of death but once"
(d) Shakespeare says, "The valiant, never taste of death, but once."
95. (a) He exclaimed, "For Heavens sake, come back".
(b) He exclaimed "for heavens sake come back"
(c) He exclaimed for heavens sake, come back.
(d) He exclaimed, for heavens sake, come back
96. (a) Where the thief is hiding himself, we do not know
(b) Where the thief is hiding himself? we do not know.
(c) Where the thief is hiding himself we do not know?
(d) Where the thief, is hiding himself we do not know.
97. (a) I was surprised, when I opened the door, to see him standing before me.

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- (b) I was surprised when I opened the door, to see him standing before me.
 - (c) I was surprised when I opened the door, to see him standing before me.
 - (d) I was surprised when I opened the door, to see him standing before me.
98. (a) This cycle is superior to, and cheaper than the one you purchased last year.
- (b) This cycle is, superior to and cheaper than the one you purchased last year.
- (c) This cycle is superior to, and cheaper than, the one you purchased last year.
- (d) This cycle is superior, to and cheaper, than the one you purchased last year.
99. (a) She had a long lean, hungry face.
- (b) She had a long lean, hungry face.
- (c) She had a long, lean, hungry face.
- (d) She had, a long, lean, hungry, face.
100. (a) Today, we love, what tomorrow, we hate today we seek, what tomorrow we shun, today we desire what tomorrow we fear.
- (b) Today we love what tomorrow we hate; today we seek what tomorrow we shun; today we desire what tomorrow we fear.
- (c) Today we love what tomorrow we hate, today we seek what tomorrow we shun, today we desire what tomorrow we fear.
- (d) Today we love, what tomorrow we hate, today we seek what tomorrow we shun, today we desire, what tomorrow we fear.
101. (a) Reading makes a full man, conference a ready man, writing an exact man. Lord Baken.
- (b) Reading makes a full man; conference a ready man; writing an exact man. (Lord Bacon).
- (c) Reading, makes a full man conference, a ready man writing, an exact man. Lord Baken.

- (d) Reading makes a full man conference a ready man writing an exact man. lord baken.
102. (a) Little drops of water, Little grains of sand, Make the mighty ocean, and the pleasant land.
- (b) Little drops of water, little grains of sand, make the mighty ocean and the pleasant land.
- (c) Little drops of water little grains of sand. Make the mighty ocean and the pleasant land.
- (d) Little drops of water; little grains of sand; Make the mighty ocean and the pleasant land.

ANSWERS

- | | | | |
|--------|--------|-------|--------|
| 1. d | 2. a | 3. d | 4. c |
| 5. a | 6. b | 7. c | 8. d |
| 9. b | 10. a | 11. c | 12. b |
| 13. c | 14. d | 15. a | 16. b |
| 17. c | 18. d | 19. b | 20. a |
| 21. c | 22. b | 23. c | 24. a |
| 25. a | 26. b | 27. c | 28. d |
| 29. b | 30. a | 31. d | 32. b |
| 33. d | 34. d | 35. c | 36. a |
| 37. b | 38. d | 39. c | 40. c |
| 41. d | 42. d | 43. b | 44. b |
| 45. a | 46. c | 47. d | 48. b |
| 49. a | 50. b | 51. c | 52. d |
| 53. d | 54. a | 55. a | 56. b |
| 57. c | 58. c | 59. b | 60. b |
| 61. a | 62. b | 63. a | 64. a |
| 65. b | 66. b | 67. b | 68. b |
| 69. c | 70. a | 71. a | 72. b |
| 73. c | 74. a | 75. b | 76. b |
| 77. a | 78. b | 79. a | 80. b |
| 81. c | 82. a | 83. a | 84. b |
| 85. b | 86. a | 87. a | 88. d |
| 89. b | 90. a | 91. a | 92. b |
| 93. d | 94. c | 95. a | 96. a |
| 97. a | 98. c | 99. c | 100. b |
| 101. a | 102. a | | |

WORDS FOLLOWED BY APPROPRIATE PREPOSITIONS

Certain words and phrases in English must be followed by particular prepositions called appropriate prepositions. Thus one can die of fever but not die from fever. The use of inappropriate preposition is a fertile source of error. In the following practice exercise are given sentences with blank spaces followed by a word with four different prepositions. Candidate is supposed to find out appropriate preposition and fill in the blank space.

1. The players agreed to abide _____ the referee's decision
(a) with (b) by
(c) in (d) into
2. Modern industry abounds _____ opportunities for young people with good scientific qualifications.
(a) in (b) for
(c) into (d) with
3. A junior cashier has absconded _____ ten thousand rupees.
(a) in (b) for
(c) to (d) with
4. The children were so absorbed _____ their game that they did not notice the passage of time.
(a) into (b) for
(c) in (d) with
5. He was abstained _____ salted food by the doctor.
(a) from (b) for
(c) in (d) to
6. The committee regrets that it cannot accede _____ your request for a month's unpaid leave.
(a) for (b) to
(c) in (d) with
7. My information does not accord _____ the report which has just been presented.
(a) to (b) in
(c) with (d) from
8. I have been accused _____ many things in my life, but never of cowardice.
(a) for (b) of
(c) with (d) in
9. You will soon get accustomed _____ the change of climate.
(a) to (b) for
(c) in (d) with
10. The new teacher was very slow to adapt _____ the unusual rules of the school.
(a) in (b) for
(c) into (d) to
11. He became addicted _____ drugs at quite an early age.
(a) for (b) into
(c) to (d) in
12. This paint will adhere _____ any surface, whether rough or smooth.
(a) to (b) in
(c) with (d) for
13. It is awful to be afflicted _____ a sense of inferiority.
(a) for (b) with
(c) in (d) to
14. The debate adjourned _____ the following week.
(a) with (b) for
(c) into (d) to
15. This college is affiliated _____ the Punjab University.
(a) to (b) in
(c) for (d) with
16. Whether I pay or my wife pays amounts _____ the same thing
(a) to (b) in
(c) into (d) for
17. The condemned man appealed _____ the court for mercy.
(a) in (b) into
(c) with (d) to

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- Several committee members had not been apprised _____ the contents of the document.
- (a) with (b) of
(c) into (d) for
19. I certainly do not approved _____ your riding your motorbike over the speed limit
- (a) in (b) with
(c) of (d) for
20. The success of the project can be ascribed _____ to the dogged efforts of ordinary members of the team.
- (a) to (b) in
(c) for (d) with
21. My father will never assent _____ my spending a holiday abroad before I am 16.
- (a) for (b) to
(c) with (d) in
22. The defence of the oil installation had been assigned _____ my regiment.
- (a) to (b) with
(c) into (d) in
23. In less than sixty years the refugees from India had become fully assimilated _____ the local community.
- (a) with (b) into
(c) in (d) to
24. His mind is well attuned _____ to mine.
- (a) to (b) for
(c) into (d) in
25. This record enables me to balance _____ the facts of my life and decide what to do with it.
- (a) up (b) in
(c) with (d) upto
26. Realizing he could do nothing to save his aircraft, the pilot bailed _____.
- (a) out (b) in
(c) for (d) with
27. We did not exactly bargain _____ him turning up like that, out of the blue.
- (a) with (b) for
(c) in (d) from
28. They had few essential supplies to begin _____, so they had to improvise
- (a) with (b) to
(c) in (d) from
29. We are trying to make sure that children who can best benefit _____ foster care, do get.
- (a) with (b) from
(c) by (d) for
30. In their anxiety, prisoners would often blurt _____ pieces of vital information.
- (a) out (b) in
(c) with (d) up
31. She shows the strain of bottled _____ emotion.
- (a) up (b) in
(c) from (d) upto
32. He decided to break _____ from the party and seek re-election as an independent.
- (a) with (b) away
(c) up (d) in
33. There has been a complete break _____ of law and order.
- (a) up (b) off
(c) down (d) of
34. The plague broke _____ in London that summer and hundreds died.
- (a) out (b) down
(c) up (d) in
35. There has been an exciting new technological break _____.
- (a) through (b) down
(c) in (d) for
36. Three minutes could bring _____ this transformation.
- (a) forth (b) about
(c) into (d) with
37. I think we are agreed on the main points. Does anyone want to bring _____ anything further.
- (a) up (b) around
(c) down (d) about
38. South Africa brushed _____ the threat of tougher economic sanctions.
- (a) off (b) of
(c) down (d) about
39. Jamil, who has been nervous and jumpy lately, suddenly burst _____ tears.
- (a) in (b) into
(c) on (d) with

- Jobs Test Preparation
40. The eagle swooped and carried _____ a sleeping lizard.
- (a) up (b) down
(c) off (d) in
41. When one is adolescent one often gets caught up _____ one's thoughts and dreams.
- (a) into (b) on
(c) in (d) around
42. When Britain adopted the decimal system for its money, it changed _____ relatively smoothly.
- (a) over (b) for
(c) to (d) in
43. A young officer was charged _____ the task of taking 200 prisoners to the rear.
- (a) for (b) by
(c) in (d) with
44. When the man saw the police car, he cleared _____ as fast as his legs could carry him
- (a) away (b) of
(c) off (d) to
45. I am not saying I am useless, but machinery and modern techniques have come _____ to make me the odd man out.
- (a) about (b) around
(c) in (d) round
46. I came _____ an old friend in liberty market this morning.
- (a) around (b) round
(c) across (d) with
47. When he finally came round _____ writing the letter, he found his feelings were easier to express than he had expected.
- (a) to (b) in
(c) against (d) with
48. The modern child finds it difficult to conceive _____ a time when there was no radio or TV.
- (a) for (b) of
(c) in (d) up
49. The two were found guilty of robbery, and condemned _____ four years imprisonment.
- (a) with (b) for
(c) to (d) into
50. When everyone has been conferred _____ perhaps I can give you an answer.
- (a) with (b) to
(c) for (d) up
51. The policemen's story conflicts _____ that of the accused.
- (a) from (b) to
(c) with (d) in
52. Confronted _____ the evidence of half a dozen witnesses, the accused broke down and confessed.
- (a) to (b) with
(c) in (d) of
53. If you want to converse _____ Japanese people, why don't you start learning Japanese?
- (a) in (b) to
(c) with (d) into
54. In this engine the rotary section corresponds _____ the cylinders of conventional model.
- (a) to (b) with
(c) in (d) on
55. You can always count _____ Zaheer for help when you are in difficulties.
- (a) in (b) into
(c) to (d) on
56. Why are so many of us credited _____ so little intelligence and self-determination?
- (a) with (b) upon
(c) for (d) in
57. The truth about the human condition dawns _____ those who have the humility to recognise their unimportance.
- (a) upon (b) in
(c) with (d) into
58. They are bad people to deal _____, always late in delivery dates.
- (a) in (b) with
(c) into (d) upon
59. You will notice water rising in the tube; now what do you deduce _____ that?
- (a) from (b) in
(c) with (d) for
60. I felt I must defer _____ my host's judgement.
- (a) in (b) for
(c) to (d) from

61. He was momentarily deflected _____ this Jobs Test Preparation knock on the door.
(a) with (b) in
(c) into (d) from
62. The rules were rigid in principle, sometimes departed _____ in practice.
(a) upon (b) on
(c) from (d) of
63. But the splendid occasion reminded him bitterly of the opportunities he had himself been deprived _____.
(a) of (b) from
(c) with (d) out
64. After being cut off from the main party for two weeks they began to despair _____ rejoining their companions.
(a) from (b) in
(c) of (d) on
65. They could not be deviated _____ what they believed to be their duty.
(a) for (b) with
(c) from (d) to
66. As boys, we had various ways of making the history professor distress _____ the subject of the lesson.
(a) in (b) on
(c) with (d) from
67. You may dislike having to depend upon him, but it will be sometime before you can dispense _____ his help altogether.
(a) with (b) in
(c) to (d) from
68. The upper classes may be dispossessed _____ their special powers and privileges by a slow process of evolution.
(a) from (b) of
(c) with (d) in
69. The main cylinder will have to be drained _____ before I can change the fittings.
(a) from (b) with
(c) off (d) in
70. He looked causally to left and right and, when the flow of traffic had eased _____, crossed the road.
(a) off (b) from
(c) of (d) in
71. The strength of the European community emanates _____ the prosperous economies of relatively few member states.
(a) with (b) from
(c) around (d) to
72. I apologize for encroaching _____ your valuable time, but I should appreciate your advice in an important matter.
(a) upon (b) in
(c) from (d) on
73. The estate was so encumbered _____ debts that it was not worth buying. _____
(a) with (b) in
(c) from (d) into
74. That a man should become so engrossed _____ a pursuit that he risks his life on a mountains needs explanation.
(a) with (b) for
(c) into (d) in
75. He had become a sort of sub-editor, entrusted _____ hiring other members of staff.
(a) in (b) for
(c) with (d) to
76. The young women was escorted _____ the court by her solicitor.
(a) from (b) with
(c) up (d) off
77. After a lengthy inquiry, the management was exonerated _____ any responsibility for the fire that destroyed the factory.
(a) in (b) from
(c) for (d) to
78. Time has expunged _____ his memory all recollections of these terrible events.
(a) from (b) with
(c) in (d) out
79. Naeem neatly fended _____ a thrust at his chest.
(a) in (b) off
(c) of (d) from
80. No, he cannot go. I have not finished _____ him yet!
(a) with (b) in
(c) from (d) to
81. Do not flinch _____ the facts!
(a) with (b) in
(c) from (d) off

82. Do not rest on your success follow _____ your success and start looking for new markets.
(a) up (b) in
(c) to (d) with
83. Bandits raided the Habib Bank in Lahore this morning and got away _____ over 10 million rupees.
(a) from (b) with
(c) to (d) for
84. If it is very urgent, I may be able to get hold _____ the doctor for you during the lunch hour.
(a) of (b) in
(c) off (d) from
85. It was amazing that preparations for the landing were not got wind _____ by the enemy.
(a) in (b) from
(c) of (d) into
86. Raza has to get off _____ people because he cannot get on with them.
(a) from (b) among
(c) to (d) with
87. If the fire-station had been got on _____ at once, the hotel might have been saved.
(a) to (b) into
(c) with (d) from
88. He insisted that she remained in house, and got on _____ her book.
(a) to (b) with
(c) from (d) in
89. I wish I could get out _____ going to the party this evening; I don't feel like standing around making polite conversation for three hours.
(a) of (b) from
(c) with (d) on
90. There were a number linguistic problems to be got _____ in preparing the text of the treaty.
(a) with (b) off
(c) from (d) over
91. Ammunition could not be got through _____ the garrison, and they were forced to surrender.
(a) in (b) to
(c) over (d) with
92. General Zia was a much more able president than he is given credit _____.
(a) in (b) for
(c) to (d) with
93. All papers must be given _____ before 12:30 p.m. Candidates failing to observe this rule may be disqualified.
(a) in (b) on
(c) to (d) with
94. Give _____ showing! You will have me off this chair in a minute.
(a) to (b) upon
(c) in (d) over
95. The general was content to give _____ a few miles of desert and retreat to a stronger, fortified line.
(a) up (b) in
(c) on (d) out
96. The public were warned not to grappled _____ the fugitive, as he was armed and dangerous.
(a) with (b) in
(c) on (d) to
97. When Farooq was offered a trip to Hong Kong by his employers he grasped _____ it with both hands.
(a) over (b) on
(c) at (d) in
98. Don't let go, hang _____ tight.
(a) on (b) in
(c) over (d) at
99. His temperament does not harmonize _____ a slow, even pace of life.
(a) with (b) in
(c) to (d) into
100. Starting a new business is hedged _____ with financial and staffing problems.
(a) in (b) about
(c) out (d) over

ANSWERS

- | | | | |
|-------|-------|-------|--------|
| 1. b | 2. a | 3. d | 4. c |
| 5. a | 6. b | 7. c | 8. b |
| 9. a | 10. d | 11. c | 12. a |
| 13. b | 14. d | 15. a | 16. a |
| 17. d | 18. b | 19. c | 20. a |
| 21. b | 22. a | 23. b | 24. a |
| 25. a | 26. a | 27. b | 28. a |
| 29. c | 30. a | 31. a | 32. b |
| 33. c | 34. a | 35. a | 36. b |
| 37. a | 38. a | 39. b | 40. c |
| 41. c | 42. a | 43. d | 44. b |
| 45. a | 46. c | 47. a | 48. b |
| 49. c | 50. a | 51. c | 52. b |
| 53. c | 54. a | 55. d | 56. a |
| 57. a | 58. b | 59. a | 60. c |
| 61. d | 62. c | 63. a | 64. c |
| 65. c | 66. d | 67. a | 68. b |
| 69. c | 70. a | 71. b | 72. a |
| 73. a | 74. d | 75. c | 76. a |
| 77. b | 78. a | 79. b | 80. a |
| 81. c | 82. a | 83. b | 84. a |
| 85. c | 86. d | 87. a | 88. b |
| 89. a | 90. d | 91. b | 92. b |
| 93. a | 94. d | 95. a | 96. a |
| 97. c | 98. a | 99. a | 100. b |