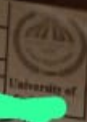


Year	2024/ 2025	Course code		Percentage of degree	6%
Semester	First	Program		No. of pages	1
Course name	Tax Accounting	Department	Accounting	Date	11/8/2025
		Marks			




An employee working in the public sector received the following amounts during the year 2024 (in Egyptian pounds):

- Basic salary including allowances 11,000 per month, Production incentives 4,500 per month, Nature of work allowance 650 per month, Cash allowance in lieu of meals 2,000 per month, Allowances not added to the basic salary 850 per month, Master's degree allowance 200 per month, Overtime pay 2,000 per month, Additional social allowance (exempt) 150 per month, Transportation allowance for actual costs incurred 750 per month, Representation and hospitality allowance 500 per month.

Additional information:

- The employee has two life insurance policies:
 One is in favor of his wife and minor children with a monthly premium of 3,000, Another in favor of his father with a monthly premium of 750, He is also a member of a private insurance fund with an annual premium of 7,000 Monthly.
- Social insurance contribution base 15,000 per month, Minimum insurable wage: 2,000, Maximum insurable wage 12,600.
- The employee was provided with a mobile phone for work purposes; the total annual expenses amounted to 1,700, and the price of the phone was 7,000.
- A cost-of-living allowance of 360 per month, which is exempt, is included within the basic salary.
- A special exempt allowance of 750 per month is also included within the basic salary.
- The employee received free air tickets for himself, and his wife valued at 13,000.
- The monthly stamp tax is 45

Required: Calculation of taxable income for the fiscal year 2024.

 UNIVERSITY OF COMMERCE USC UNIVERSITY OF SARGODHA	Exam	Quiz	Course code	Percentage of degree %	4%	
	Academic year	2025 / 2026	Program	No. of pages	1	
	Semester	First	Department	Accounting	Date	26/10/2025
	Course name	Tax Accounting	Marks	4 Mark	Time	30 min

Taxes are considered one of the most important financial resources on which modern states rely to finance their public expenditures and achieve their economic and social objectives. They represent the main source that enables the state to provide public services to citizens, such as education, healthcare, security, and infrastructure. Moreover, taxes serve as an effective tool for redistributing income among individuals in society and achieving a degree of social justice, in addition to their role in guiding economic activity in line with the state's public policies. Therefore, the tax system is regarded as one of the fundamental pillars upon which the state's finances and economic stability are built.

Considering the previous paragraph, explain the concept and characteristics of tax.