647510 **BBA5DitA506x** **Seat No :________**

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
March/April-2022 (NEW COURSE)
Direct Taxes(Allied)

Time: 2:30 Hours **Marks: 70**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Que-1 **Define the following terms (Any Two):** (14)
(1) Assessee
(2) Heads of Income
(3) Previous year and assessment year
(4) Gross total Income

OR

Que-1 **Write a Short notes on.**
(1) "The Incidence of income – tax depends upon the residential status of the Assessee"- Discuss.
(2) Agricultural Income

Que-2 **Shri Sahaj Pande of Rajkot a well-known advocate is maintaining his account on cash basis. He furnishes the following information for the year ended 31st March, 2018:** (14)

Receipts and payment Account

Receipts	Rs.	Payments	Rs.
To Balance b/d	2,24,000	By Office Expenses	5,24,000
To Gifts from clients	1,26,000	By Motor- Car Expenses	2,80,000
To Professional Fees:		By purchase of office equipments	4,80,000
2014-'15	10,000	By staff salaries	29,02,000
2015-'16	20,000	By Income -tax paid	1,30,000
2016-'17	43,20,000	By interest on loan	22,000
To Loan from clients	100,000	By Refund of loan	300,000
		By contribution to provident fund	1,23,000
		By Balance C/f	39000
	48,00,000		**48,00,000**

Additional information:
1. Calculate 10% depreciation on office equipment.
2. Allowable Deprecation on motor – Car is Rs. 60,000.
3. 20% of Motor-car expense is for personal use.
4. Outstanding fees amount to Rs.1, 20,000.

Compute the taxable income of Shri Sahaj Pande under the head of profit and gains of Business or profession for the assessment year 2018-'19.

OR

Que-2 **Following is the profit and loss Account of business of Mr. Divy Rathod for the financial year 2017-18.**

Particulars	Rs.	Particulars	Rs.
To opening stock	52,000	By sales	47,35,500
To purchases	40,04,375	By closing stock	1,05,000
To Salaries & Wages	87,500	By share Dividend	40,000
To Rent & rates	65,500		
To Commission	10,750		
To Household Expenses	3,50,000		
To Income tax	28,050		
To Advertisement	2,500		
To postage & Telegram	2,000		
To interest on capital	42,000		
To Reserve for bad debts	1,700		
To Depreciation on Furniture	9,000		
To Net Profit	2,25,125		
	48,80,500		**48,80,500**

Additional information:

1. Closing Stock and opening stock have consistently been valued at 20% below cost price.
2. Depreciation on furniture, as per income-tax provisions is Rs. 8,600.
3. Amount of sales includes a sum of Rs. 20,625 representing the value of goods withdrawn for personal use. These goods were purchased at cost Rs. 13,925 and its market value on the date of withdrawal was Rs. 22,620.

You are required to prepare statement showing the taxable business income of Mr. Divy Rathod for the assessment year 2018-19.

Que-3 **From the following details of salary income of Smt. Kalyani, the Managing Director of a company, for the financial year 2017-18, compute her taxable salary of Assessment year 2018-19.** (14)

1. Basic salary per month Rs. 50,000.
2. Dearness Allowance – 40% of Basic salary.
3. Bonus (Annual) Rs. 25,000.
4. Transport Allowance Rs. 1,600 per month.
5. City Compensatory allowance per month Rs. 1,000.
6. Education Allowance for three children (Annual) Rs. 8,500.
7. Rs. 1,000 per month is received as Entertainment Allowance.
8. During the previous year Kinjal paid the following amount.
   A. Professional Tax (Annual) Rs. 2,400
   B. Repayment of Housing Loan Rs. 20,000.
   C. Investment in P.P.F – Rs. 1,00,000.
   D. LIC premium – Rs. 16,000.

OR

Que-3 **Dr. Nrugendra performs his duties in Gokul Hospital of Rajkot. Find out his taxable income from salary for the A.Y 2018 – 19 from the particulars given below:**

1. Basic pay per month Rs. 40,000.
2. D. A.– 50% of Basic Pay.
3. Bonus (Annual) Rs. 30,000.
4. T. A. Rs. 1,800 per month.
5. City Compensatory Allowance per month Rs. 1,000.
6. Educational Allowance for three children (Annual) Rs. 7,500.
7. He contributes 14% to recognized P.F. His employer contributes to P.F. at the same rate. The interest added to recognized P.F. is Rs. 20,160 at the rate of 12%.
8. He has been provided a house in Rajkot by his employer with the furniture worth Rs. 3,00,000. The population of Rajkot city is 15 Lakh. The hospital has made the deduction of Rs. 1,000 from his salary per month for the said perquisite.
9. He has been provided a car of 1.8 c. c by the hospital. The car is used for personal as well as office purposes. The maintenance and driver's salary expenses are paid by the hospital.
10. Dr. Parth has made the following payments during the previous year:

LIC Premium	Rs. 20,000
Professional Tax (Annual)	Rs. 2,400
Investment in P.P.F	Rs. 50,000
Repayment of Housing Loan (Excluding Interest)	Rs. 20,000

Que-4 Ram owns a house property in Ahmedabad, Which consists two units, the municipal value of which is Rs. 2,80,000, whereas the fair rent may be taken Rs. 300,000. Unit-1 has 60% floor area and Unit-2 has 40% floor area. Unit-1 was self occupied for own residence up to 30-11-2017, which remained vacant for one month and thereafter 1-1-2018 was let out for Rs. 18,000 p.m. Unit-2 was let out for Rs. 12,000 p.m. since last 5 years. (14)

Other particulars of the house property are as under:

1. Municipal tax paid Rs. 50,000.
2. Fire insurance premium Rs. 6,000.
3. Interest on money borrowed for construction of the house Rs.48000.

Compute her taxable income for the assessment year 2018-19.

OR

Que-4 **From the following details of house properties owned by Mr. Sarju determine the final gross Annual value of each house for the A.Y 2018-19.**

Particulars	House No.1 Rs.	House No.2 Rs.	House No.3 Rs.
1. Annual value as per municipal valuation	54,000	39,000	27,000
2. Annual Fair Rent	65,000	48,000	36,000
3. Standard rent	59,500	42,000	30,000
4. Actual annual Rent Receivable	75,000	36,000	36,000
5. Vacancy period	2 months	4 months	2 month
6. Rent Received of the remaining period	60,000	24,000	27,500

Que-5 **Write short notes: (Any Two)** (14)

(1) Commissioners of Income – Tax
(2) Explain any six exempted incomes
(3) Central Board of Direct Taxes
(4) Settlement Commission

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