647510 **BBAtaxAC5040** **Seat No :________**

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
March/April-2022(Old Course)
DIRECT TAXES (ALLIED)

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

Instructions:

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

Q-1 Define the following terms (Any Two): (14)

1. Income
2. Heads of Income
3. Person
4. Gross total Income

OR

Q-1 Write a Short notes on:

1. "The Incidence of income – tax depends upon the residential status of the Assessee"- Discuss.
2. Previous Year and Assessment Year

Q-2 The Income and Expenditure Account of Dr. Het Rana for the previous year 2017-18 is as under: (14)

Expenditure	Rs.	Income	Rs.
To staff salary	5,48,000	By Income from Nursing	
To marriage expenses of son	1,72,000	Home (Surgical)	7,20,000
To electricity	64,000	By Income from operations	4,90,000
To purchase of medicine and stores		By Dividend (Gross)	6,000
To Telephone expenses	66,000	By Interest of treasury saving	
To Rent of nursing home	10,000	cert.	2,000
To Depreciation of instruments	36,000	By Consultation Fees	52,000
To Depreciation of other assets	12,000	By Winning from lottery	6,000
To Local taxes	2,000	By birthday Gift (of a minor	
To Rent of equipment	8,000	son)	61,000
To Insurance premium	4,000	By Rental income of house	
To Excess of income over expenses	14,000	property	92,000
	4,93,000		
	14,29,000		**14,29,000**

Additional Information:

1. Salary included Rs. 1,20,000 paid to his wife who is a qualified nurse and attends duty on week ends only.
2. The allowable depreciation on surgical instruments is Rs. 20,000 and on other assets is Rs. 1,500.
3. Municipal taxes include the sum of Rs. 3,000 paid in respect of his property which is let out.
4. He has received honorarium of Rs. 72,000 as a visiting professor.
5. Insurance premium includes Rs. 4,000 being Mediclaim insurance (self) and Rs. 2,000 being life insurance premium.

Compute the taxable income of Mr. Het Rana from business and profession for the A.Y. 2018-19.

OR

Q-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:

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.

Q-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 Smt. Kayani 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

Q-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 recognised 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. Nrugendra 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

Q-4 Shri Janak constructed a house in 2015. 50% portion of the house is let-out and 50% portion is used as self-residence. The portion of self –residence is also given on rent for four months during the previous year. Other details of the house are as under. (14)

	Particular	**Rs.**
1.	Municipal valuation	1,45,000 per year
2.	Rent of 50% let-out portion	8000 per month
3.	Rent of residential portion on rent for four months	5000 per month
4.	Municipal Taxes	25,000
5.	Ground Rent payable	3,100
6.	Repairs	6,000
7.	Fire insurance premium	2,100
8.	Interest on loan taken for construction	30,000

Calculate income from house properties for A.Y 2018-19.

OR

Q-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

Q-5 Write short notes: (Any Two) (14)

1. Assessing Officers
2. Explain any five exempted incomes
3. Appellate Tribunal
4. Powers of Settlement Commission

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