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

B.B.A. Semester - 5 (*CBCS*) Examination
Oct/Nov - 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.

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

1. Assessee 2. Incidence of Tax 3. Income 4. Heads of income

OR

Q-1 Write a Short notes on.

1. Explain with illustration 'Financial year' and 'Assessment Year'.
2. What is meant by Agricultural Income? Give four illustrations of non-agricultural income.'

Q-2 Write short notes: (Any Two) (14)

1. Powers of settlement Commission
2. Explain any five fully exempted incomes
3. Assessing officers
4. Commissioners of Income -Tax]

Q-3 Following is the profit and loss A/c of Mr. Hari, who is into trade of chemical goods, for the year ended 31-3-2021: (14)

Particulars	Rs.	Particulars	Rs.
To Salaries	9,00,000	By Gross Profit	32,00,000
To Bad debts	30,000	By Discount	1,20,000
To Bad Debt reserve	60,000	By Bad debt recovered (50% not	
To General expenses	3,80,000	allowed in the past)	60,000
To Insurance premium	1,50,000	By Interest and dividend	3,00,000
To Interest on capital	90,000	By Interest on P.O Office Deposit	
To Advance Income-tax	54,000	Accounts	1,20,000
To Advertisement	90,000		
To Donation	18,000		
To Motor – car Expenses	180,000		
To Telephone expenses	36,000		
To Depreciation	72,000		
To Net Profit	17,40,000		
	38,00,000		38,00,000

Additional Information:

1.Salaries include Rs. 1,80,000 paid to Mr. Hari.
2. General expenses include Rs. 60,000 for payment being made for personal purchases of Mr. Hari.
3. Advertisement includes Rs. 54,000 spent on purchase of new permanent sing board.
4. Motor-car expense includes Rs. 1,44,000 towards personal purpose.
5. Insurance premium includes Rs. 60,000 of life Insurance premium.
6. Allowable Depreciation as per income-tax Act is Rs. 90,000.
7. An unrecorded income of Rs. 1,20,000 of chemical trade is found out from the pass book.

Compute Mr. Hari's taxable business income for P.Y 2020-21.

OR

Q-3 Find out taxable income from Business and profession from the following Cash Account of Dr. Divy Rana for the year ending on 31-3-2021.

Particulars	Rs.	Particulars	Rs.
Opening Balance	25,000	Staff Salary	10,50,000
Operation Income	6,00,000	Insurance of Hospital	30,000
Consulting fee	5,00,000	Purchase of Magazine	25,000
Sale of Medicine	40,000	Purchase of Medicine	60,000
Hospital Income	3,00,000	Purchase of Instrument 1-4-20	1,80,000
Visit fee	50,000	Professional Tax	3,000
Sale of Instrument 1-6-2020	10,000	Ambulance expenses	1,37,000
Gift from patients	15,000	Conference fee	20,000
Salary from Medical Institute	2,60,000	Motor expenses	40,000
Dividend	10,000	House Hold Expenses	3,60,000
House rent (Let-out)	1,20,000	Income tax	85,000
		Closing Balance (Overdraft)	- 60,000
	19,30,000		19,30,000

Additional Information:

1. Staff salary includes Rs. 30,000 salary paid to his wife. Wife does not provide any service to the firm.
2. ¼ th use of Motor is for personal purposes.
3. Opening written down value of instrument was Rs. 25,000. Rate of depreciation is 20%.

Q-4 Mr. Vinit Roy joined a company on 1-4-2018 as an accountant in the salary scale of Rs. 18,000 – 1,000 – 30,000. Annual increment becomes due on 1st April. He is a specified employee. He provides the following details for the year ending 31st March 2021. (14)

1. D.A @ 40% of basic salary.
2. Contribution to recognised provident fund by both @ 12% of salary.
3. City Compensatory Allowance @Rs. 2,000 p.m.
4. Interest @ 12% p.a rate credited to RPF A/c Rs.2,400.
5. House Rent Allowance Rs. 1,000 p.m.
6. Entertainment Allowance Rs. 1000 p.m.
7. Tour and Travelling Allowance Rs. 24000 (of which Rs. 8,000 is saved).
8. The Company has provided 1.8 C.C. car partly for private use and partly for office use. All its expenses are met by the employee.
9. Free Education is provided to two children in a school run by the company. Average monthly cost of such education is a similar school is Rs. 1,000 per child.
10. The Company pays Rs. 6000 for gas-water facilities for his personal use.
11. Leave encashment amount received in cash Rs. 6,000.
12. Free lunch is provided on 200 working days (cost per lunch Rs. 100).
13. The company pays Rs. 600 p.m. for telephone facility.
14. He has paid professional tax of Rs. 2,400 and house rent of Rs. 36,000.

Compute his taxable salary income for the assessment year 2021-22.

OR

Q-4 Shri Milan Gohel is a managing director of a Mumbai company. From the following details of Financial Year 2020-21, compute his taxable salary of A.Y. 2021-22 and investment under section 80C.

1. Basic Salary Rs. 3,50,000
2. Dearness Allowance 20% of basic salary (considered for retirement benefits)
3. Commission @ Rs. 1,250 p.m.
4. Bonus Rs. 10,000
5. Helper Allowance Rs. 12,000
6. City Compensatory Allowance Rs. 10,000
7. House Rent Allowance Rs. 84,000 Yearly (Actual rent paid Rs. 7000 per month)
8. House servant's salary paid by the employer Rs. 14,400
9. Payment made by the employer for free supply of gas- electricity provided for personal use Rs. 6250

10 Concessional lunch facility provided during office hours (Cost per dish Rs. 100 for 200 days is borne by the company) a token amount of Rs. 30 per dish is deducted from his salary.

11. The employer has provided a car (With driver), all expenses of maintenance are borne by the employee, The car is for office and private use and has 1.4 cc engine.

12. Company contribution to recognised provident fund Rs. 63,000. He has contributed to 42,000 to RPF A/c.
13. Interest credited to recognised provident fund at 10.5% Rs. 23,100.
14. Professional tax paid by employee Rs. 200 monthly.
15. His investment are as under:
    - Life insurance Premium Rs. 40,000.
    - National Saving Certificate ix Issue Rs. 45,000.
    - Fixed deposit in SBI for three years Rs. 1,00,000.

Q-5 Mr. Het Constructed a house in the year 2016-17. This house is in three units. First unit (40%) portion of this house is let-out, second unit (40%) portion is used as self-residence and third unit (20%) portion is also Let – Out. Other details are as under. (14)

1. Municipal Valuation Rs. 80,000
2. Fair Rent Rs. 70,000
3. Standard Rent Rs. 90,000
4. Rent of the first unit Rs. 4000 per month
5. Rent of the third unit Rs. 2500 per month.
6. Municipal tax 10% (Out of which half is paid)
7. Ground rent Rs. 3,000
8. Fire insurance premium Rs. 4,100
9. Housing loan interest Rs. 70,000 (Out of which half is unpaid)
10. Capitalised Interest Rs. 50,000
11. First unit remained vacant for three months

From the above information calculate taxable income from house property for the Assessment year 2021-22.

OR

Q-5 Nrigrendra owns three houses. Find out his taxable income from house property for the A.Y. 2021-22 from the details given below:

Particulars	House No.1 Rs.	House No.2 Rs.
Usage	Let Out	Let Out
Municipal Value (Annual)	48,000	50,400
Fair Rent (Annual)	46,800	49,200
Standard Rent (Annual)	45,600	51,600
Rent receivable (Monthly)	4,500	7,500
Vacancy period	1 Month	½ Month
Local taxes paid	5%	750
Unrealised rent	9,000	7,500
Interest on loan for repairs	7,090	42,400

His resides in House No.3, of which Municipal value is Rs. 84,000. Local taxes are 6% and interest on loan for repairs is Rs. 9,200.

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