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

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
March/April-2024 (Old 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. Gross total Income
2. Incidence of Tax
3. Previous year and Assessment Year
4. Heads of income

OR

Que.1 What is meant by Agricultural Income? Give four illustrations of non-agricultural income. (14)

Que.2 Write short notes: (Any Two) (14)
1. Powers of Assessing Officer
2. Explain any five fully exempted incomes
3. Central Board of Direct Taxes
4. Commissioners of Income -Tax

Que.3 Aaradhya's profit and Loss A/c for the year ended on 31-3-2018 is given below: (14)

Particulars	Rs.	Particulars	Rs.
To opening stock	4,84,000	By Sales	24,00,000
To purchase	12,00,000	By closing stock	6,30,000
To salary	3,60,000	By Bad debt recovered	10,000
To Depreciation on Machinery	60,000	By interest on Govt. Security	6,000
To interest on capital	10,000		
To income tax	68,000		
To Bad debt reserve	5,000		
To Advertisement Expenses	11,000		
To Donations	9,000		
To Motor Expenses	9,000		
To travelling Expenses	10,000		
To Net profit	8,20,000		
	30,46,000		30,46,000

Additional Information:
1. Opening stock is valued at 10% more than the cost and closing stock is valued at 5% more than the cost.
2. 40% of bad debt recovered was disallowed in the past.
3. The approved depreciation on machinery is Rs. 70,000.
4. Travelling expenses includes Rs. 6,000 for family pilgrimage and Rs. 4,000 towards business promotion tour.
5. Motor car is used equally for office and personal purposes.
6. A business income of Rs. 25,000 is not recorded in the above profit and loss A/c.

Compute the taxable income from business & profession for the A.Y 2018-19.

OR

Que.3 Shri Sahil Kacha 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 Sahil Kacha under the head of profit and gains of Business or profession for the assessment year 2018-'19.

Que.4 Compute the salary income of Mr. Sahaj Pandya for the previous year relevant to A.Y. 2018-19 from the following information. (14)

1. Basic Salary: He joined on 1-7-2014 in the grade of Rs. 7,000-1000-14,000. The increment becomes due on 1st July every year. He is a specified employee.
2. Dearness allowance: 50% of basic pay.
3. Bonus and commission: Rs. 62,500 p.a.
4. Entertainment allowance: Rs. 500 p.m.
5. Children education allowance: Rs. 350 p.m. (He has only one child)
6. The company has provided him a flat owned by the company, the fair rental value of the said flat is Rs. 2,700 p.a. The company has spent Rs. 2, 80,000 on its furnishing.
7. The company has appointed a gardener at a monthly salary of Rs. 1,000.
8. The company has reimbursed the medical expenses of Rs. 6,000 incurred by him for the treatment of his family members.
9. The company has provided a car without driver, all expenses of maintenance are borne by the employer. The car is for office use and privet use and has 1.8 cubic liters capacity.
10. The company is contributing @ 15% of basic pay towards his recognized provident fund.
11. Interest credited to his RPF @ 15% Rs. 7,500.
12. The company has made following deductions from his pay:
    1. Employees contribution to RPF 12% of Basic pay.
    2. Professional tax Rs. 2,400.
    3. Recovery of token rent for accommodation @ 10% of basic pay.
    4. Recovery of excess commission paid during the year Rs. 2,500.
13. He is working at Ahmadabad having a population of more than 25 lakhs.

OR

Que.4 From the following details of salary income of Smt. Kalyan, 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.

Que.5 Mr. Gopinathaji is owner of a house property. Determine Gross Annual value from the following information: (14)

Particulars	Rs.
1. Annual value as per municipal valuation (a)	90,000
2. Fair Rent (b)	85,000
3. Standard rent (c)	72,000
4. Annual Rent Receivable	84,000
5. Vacancy period	3 months

Also find out corrected Gross Annual value if unrealised rent is Rs. 21,000.

OR

Que.5 Ketarina 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.

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