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

B.B.A. Semester - 5 (*CBCS*) Examination
Oct/Nov - 2024 (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 Write a Short notes on. (14)

(1) What is 'Income'? State the rules to determine income.
(2) What is an assessment year? Distinguish it from previous year.

OR

Que.1 Define the following terms (Any Two):

(1) Agricultural Income
(2) Heads of Income
(3) Residential Status and Incidence of Tax
(4) Total Income

Que.2 Write short notes: (Any Two) (14)

(1) Director general of Income tax
(2) Explain any six fully exempted incomes
(3) Central Board of Direct Taxes
(4) Powers of settlement Commission

Que.3 Following is the profit and loss Account of business of Mr. Dharm for the financial year 2017-18. (14)

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 25% 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(3) Amount of sales includes a sum of Rs. 20,625 representing the value of goods withdrawn for personal use.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. Dharm for the assessment year 2018-19.

OR

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

Que.4 Dr. Het Rana performs his duties in HCG of Rajkot. Find out his taxable income from salary for the A.Y 2018 – 19 from the particulars given below: (14)

(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) Education 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. Het Rana 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

OR

Que.4 Ms. Ram is Assistant Manager of a Textile Company of Jaipur, since 1991. He has submitted the following particulars of his income for the financial year 2017-18:

2. Basic salary Rs.2,40,000.
3. Dearness Allowance Rs.5,000 per month (Rs. 200 P.m. enters into retirement benefits).
4. Education allowance for two children at Rs.150 p.m. per child.
5. Commission on sales 1% of turnover of Rs. 10,00,000.
6. Entertainment allowance Rs.700 p.m.
7. Travelling Allowance for his official tours Rs.30,000. The entire amount is spent on the official tour.
8. He was given cloth worth Rs. 1000 by his employer free of cost.
9. He resides in the flat of the company. Its market rent is Rs. 12,000 p.m. A watchman and a cook have been provided by the company at the bungalow who are paid Rs.400 per month each.
10. He has been provided with a moter car of 1.8 liter engine capacity for his official as well as personal use. The running and maintenance costs are borne by the company.
11. Employer's contribution to R.P.F. is Rs. 40,000 and the interest credited to this fund at 13% rate amount to Rs. 16,250.
12. Contribution by Mr. Ram to recognised provident fund Rs. 40,000.
13. Rent of house recovered from Mr. Ram Rs.1,500.
14. Tax deducted at source from the above payment Rs. 6,000.

Compute income from salaries for the assessment year 2018-19. Assume the population of Jaipur is 26 lakhs as per 2001 census.

Que.5 From the following information about the house properties owned by Mr. Lakshman. you are required to compute his taxable income under the head of House property income for the A.Y 2018-19. (14)

Particulars	**House-1**	**House-2**	**House-3**
1. Use	Let-out for residence	Let–out for business	Self – occupied
2. Municipal Value p.a.	4,00,000	2,10,000	6,00,000
3. Standard rent p.a	4,10,000	1,95,000	5,16,000
4. Actual rent monthly	30,000	25,000	-
5. Fair rent	4,20,000	2,25,000	6,50,000
6. Vacancy period	1 month	-	-
7. Municipal taxes paid by Mr. Kumar	22,000	18,000	25,000
8. Municipal taxes paid by the tenants	6,000	8000	-
9. Municipal taxes payable by Mr. Kumar	4,000	5,000	6,000
10. Rent collection cost	4,000	5,000	-
11. Interest on loan taken for construction for P.Y. 2017-18 (Unpaid)	10,000	30,000	35,000
12. Capitalised interest (total)	100,000	1,50,000	-
13. Year of completion of construction	2014-15	2008-09	2008-09

OR

Que.5 Shri Paras 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.

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	6000
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.

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