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BBAtaxAC5040 **Seat No :________**

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

(1) Who is an Assessee? Is assessee always liable to pay income – tax?

(2) What is 'Income'? State the rules to determine income.

OR

Que-1 Define the following terms (Any Two)

(1) Agricultural Income

(2) Previous year and assessment year

(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 five fully exempted incomes
3. Central Board of Direct Taxes
4. Income tax inspectors

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3) Amount of sales includes a sum of Rs. 20,625 representing the value of goods withdrawn for personal use.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	3,00,000
		By contribution to provident fund	1,23,000
		By Balance C/f	39,000
	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 Mr. Karan is a sales manager employed by Panasonic limited at Bangalore. The details of his salary and other emoluments received during the previous year 2022-21 are as under: (14)

1) Basic salary Rs. 4,20,000 per annum.
2) Dearness allowance (treated as a part of salary for retirement benefits) Rs. 42,000
3) Commission on sales Rs. 1,75,000
4) House rent allowance Rs. 60,000 p.a (actual rent paid Rs.8,000 p.m);
5) Transport allowance Rs. 24,000 p.a
6) Tour (Travel) allowance Rs, 1,200 each for 5 trips (actual amount spent on each trip Rs. 1,000)
7) Tour daily allowance Rs. 250 per day for 60 days in the year (actual amount spent Rs. 9,600 in total)
8) Uniform allowance Rs. 900 p.m. (for purchase and maintenance), actual amount spent for that purpose at an average rate Rs. 750 p.m.
9) Research assistance allowance Rs. 600 p.m. (spent Rs. 9,000 during the year),
10) Children education allowance Rs. 9,000 (for 2 children)
11) Entertainment allowance Rs. 6,000 p.a

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

OR

Que-4 Dr. Het Rana performs his duties in HCG 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) 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

Que-5 Mr. Girirajsingh 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 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.

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	8,000	----
9. Municipal taxes paid 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)	1,00,000	1,50,000	----
13. Year of completion of construction	2014 - 15	2008 - 09	2008 - 09

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