# BBAtaxAC5040

Seat No :_________

## B.B.A. Semester-5 (*CBCS*) Examination
## Oct/Nov.– 2019
## DIRECT TAXES

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

**Instructions:**

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

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Que-1 (A) Mr. Shippy Stayed in Indian for the period mentioned below after his first arrival. (07)
Determine his residential status for the Assessment Year 2018-19.

| Accounting Year | Days of Presence |
|---|---|
| 2013-14 | 70 |
| 2014-15 | 130 |
| 2015-16 | 120 |
| 2016-17 | 100 |
| 2017-18 | 90 |

(B) "The incidence of income – tax depends upon the residential status of the Assessee" – Discuss. (07)

OR

Que-1 Define the following term (Any four): (14)

(1) Person
(2) Previous year and assessment year
(3) Total income
(4) Heads of income
(5) Gross total Income

Que-2 Shri Bharat is a purchase Officer in a Company in Jaipur. He furnished the following particulars regarding his income for previous year 2017-18: (14)

(1) Basic salary Rs.17,000 p.m.
(2) Bonus Rs. 5000.
(3) Dearness Allowances Rs.3000 p.m.
(4) Travelling Allowances Rs. 45,000 . He spent Rs. 30,000 for official purposes.
(5) Reimbursement of Medial bills Rs.25000 (Treatment was done in a Government Hospital in India).
(6) He lived in a bungalow belonging to the company. Its fair is Rs. 15,000 per month. The company has provided on this bungalow the facility of a watchman and a cook each of whom is being paid a salary of Rs.250 per month. The company paid in respect of this bungalow Rs. 5,000 for electric bills and Rs. 3,000 for water bills.
(7) He has been provided with 1.5 Ltr. Engine Capacity Car for official and personal use. The maintenance and running expenses of the Car (including driver) are borne by the Company.
(8) The following amounts were deposited in his provident fund account:
(A) Own contribution Rs. 24,000,
(B) Company's contribution Rs. 30,000 and
(C) Interest @12% p.a. Rs. 12,600.
(9) Rent of house recovered from Bharat Rs. 21,600.
Compute his taxable income from salary for the assessment year 2018-19. Assume the population of Jaipur is 26 Lakh as per 2001 Census.

**OR**

Que-2 Mr. Ajay Rathod furnished following information for previous year ended on 31-03-2018. Calculate his taxable income for the Assessment year 2017-18. (14)

(1) Monthly basic salary Rs. 20,000 which is increased to Rs. 25,000 from1-9-2017.
(2) Monthly Dearness Allowances Rs. 12,500.
(3) Bonus Rs. 25,000.
(4) Monthly Entertainment Allowances Rs. 1,250.
(5) Education Allowances (annual) Rs. 2000 (for two children).
(6) He contributes in the recognized provident Fund @ 15% of his basic salary and company contributes Rs. 35,000.
(7) He paid Rs. 2,400 as professional tax.
(8) Company gave him fully furnished flat for his residence, whose fair rent is Rs. 1,50,000 and cost price of the furniture was Rs. 3,15,000. The population of city is 22 lakhs.
(9) Interest credited at 14% in recognized Provident Fund is Rs. 28,000.

Que-3 Raima 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. 48,000.

Compute her taxable income for the assessment tear 2018-19.

**OR**

Que-3 Mr. Smit owns a houses named “Radha”, “Krishna” and “Shriji”. Compute the taxable income under the head “Income from house property” for the A.Y. 2018-19from the following: (14)

| S.No. | Particulars | Radha | Krishana | Shrija |
|---|---|---|---|---|
| 1. | Municipal value | 1,00,000 | 1,50,000 | 2,00,000 |
| 2. | Fair rent | 1,40,000 | 1,80,000 | 2,40,000 |
| 3. | Standard Rent | 1,20,000 | 2,00,000 | - |
| 4. | Actual rent (per month) | 12,000 | 17,500 | 21,000 |
| 5. | Period of vacancy | Nil | 1 month | 6 months |
| 6. | Municipal taxes for the year | 20% of municipal value | 40,000 | 50,000 |
| 7. | Municipal taxes paid during the year | 20,000 | 80,000 | 30,000 |

Que-4 Following is the information related to Receipts and payment of Dr. Sahaj Pande for the year ended on 31-3-2018. (14)

| Receipts | Rs. | Payments | Rs. |
|---|---|---|---|
| Visit Fees | 4,80,000 | Rent of Dispensary | 2,16,000 |
| Consultation Fees | 4,50,000 | Staff Salary | 2,70,000 |
| Sales of Medicines | 60,000 | Rent of consulting Room | 72,000 |
| Rent income of Operation Theatre | 2,40,000 | Electricity | 45,000 |
| | | Medical Journal | 15,000 |
| Dividend | 42,000 | Purchase of Surgical instruments | 60,000 |
| Interest on Treasury saving Certificates | 15,000 | Diwali Expenses | 30,000 |
| Gift from patients | 1,00,000 | Purchase of Medicines | 60,000 |
| Sales of Surgical instruments | 28,000 | Motor car Expenses | 1,08,000 |
| | | Audit Fees | 6,000 |
| | | Association Fees | 1,800 |

Additional Information:

1. Half of the use of Motor car is for personal use.
2. Admissible depreciation on car is Rs. 24,000.
3. Opening and closing stock of Medicines were Rs.32,000 and Rs. 12,000 respectively.
4. Depreciation on surgical instruments is @ 20%. O pening balance (W.D.V.) of surgical instruments was Rs. 48,000.
5. Rs. 20,000 of Gift received from Patients has not been recorded in the books. From the above information, prepare statements showing taxable income from profession of Dr. Sahaj Pande for the A.Y. 2018-19.

**OR** (14)

Que-4 The profit and loss Account of a Cell-phone dealer for the previous year ending 31st March, 2018 is given below:

| Particulars | Rs. | Particulars | Rs. |
|---|---|---|---|
| To Rent paid | 3,60,000 | By Gross profit | 38,87,000 |
| To salaries | 21,64,000 | By Rent of let-out | |
| To Diwali and puja Espenses | 24,000 | house | 7,20,000 |
| To interest on loan | 2,40,000 | By Hire-Charges of | |
| To Sundry Expenses | 1,34,000 | Cell-Phones | 5,19,000 |
| To Bad debts | 15,000 | By Sundry Income | 52,000 |
| To Charities | 1,94,000 | By Commission | 74,000 |
| To Bed debts Reserve | 44,000 | | |
| To Local rates | 12,000 | | |
| To Entertainment Expenses | 17,000 | | |
| To loss by fire | 48,000 | | |
| To net profit | 20,00,000 | | |
| | 52,52,000 | | 52,52,000 |

Compute the taxable business income for the assessment year 2018-'19 after taking into account the following additional information.

1. 'Rent paid' includes Rs. 84,000 in respect of the shop owned by the assessee.
2. 'Salaries' includes Rs. 1,92,000 paid to the assessee's graduate son for rendering part-time services to the business.
3. 'Interest on loan' includes Rs. 50,000 paid as interest on a loan taken from the
   assessee's wife.
4. The assesse has also earned Rs. 3,20,000 on the sales of smuggled mobiles, which has not been shown in the above profit & Loss A/c.
5. ' Local rates' includes Rs. 6,000 in respect of let-out house property.

Que-5 Write short note (Any four). (14)

1. Powers of Income-Tax officers
2. Objects of settlement Commission
3. Exempted incomes
4. Central Board of Direct Taxes
5. Agricultural Income

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