647510

BBAtaxAC5040 **Seat No :________**

B.B.A. Semester - 5 (*CBCS*) Examination
Oct/Nov. - 2023(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 a person? Explain AOP and BOI with illustration.
2. Gross total income and total income.

OR

Que.1 Define the following terms. (any two)

1. Residential status and incidence of tax
2. Previous year and assessment year
3. Agricultural income
4. Income

Que.2 Write short notes. (any two) (14)

1. Appellate tribunal
2. Explain in brief any seven exempted incomes
3. Central board of direct taxes
4. Objects of settlement commission

Que.3 Following is the profit and loss account of business of Mr. Puspak pande for the financial year 2021-22. (14)

Particulars	Rs.	Particulars	Rs.
To opening stock	52,000	By sales	97,35,500
To purchases	60,04,375	By closing stock	1,05,000
To salaries & wages	5,87,500	By share dividend	40,000
To rent & rates	65,500		
To commission	10,750		
To household expenses	3,50,000		
To income tax	1,28,050		
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	**26,25,125**		
	98,80,500		**98,80,500**

Additional information:

1. Closing stock and opening stock have consistently been valued at 20% 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 Amount of sales includes a sum of Rs. 20,625 representing the value of goods withdrawn for personal use.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.
4. Household expenses include a contribution of Rs. 10,000 towards public provident fund.

You are required to prepare statement showing the taxable business income of Mr. puspak pande for the assessment year 2022-23.

OR

Que.3 Following is the profit and loss account of Mr. Dharam for the year ended on 31st march,2018.

Profit & loss account

Particulars	Rs.	Particulars	Rs.
To salary	5,08000	By gross profit	14,44000
To bad debts reserve	5,000	By bad debt recovered	30,000
To general reserve	3,000	By house rent	10,000
To bad debt	4,000	By interest and dividend	26,000
To sales expenses	5,000	By commission	5,000
To interest on loan	6,000	(earned for working as	
To interest on capital	7,000	Arbitrator)	
To income tax	10,000		
To office expenses	47,000		
To depreciation on computer	20,000		
To net profit	**9,00,000**		
	15,15,000		**15,15,000**

Additional information:

1. 40% of the bad debt recovered relates to the bad debt not allowed as business expenses in past year.
2. Interest on loan is outstanding Rs. 4,000 which is not recorded in profit and loss account; un-recorded business income is Rs. 1,25,000.
3. Written down value of motor car on 1-4-2017 was Rs. 80,000 which was sold on 15-1-2018 for Rs. 80,000 and new motor car was purchased on 1-1-2018 for Rs. 3,00,000. Admissible depreciation on motor car is 20%.
4. Salary includes Rs. 12,000 paid to wife of Mr. Dharam. she does not render any service to the business.

   Calculate taxable income from business and profession for A.Y.2018-19.

Que.4 Compute the salary income of Mr. sahaj 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 has 1.8 cubic litres capacity.
10. The company is contribution @ 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 Ahmedabad having a population of more than 25 lakhs.

OR

Que.4 Mr. het Rathod furnished following information for previous year ended on 31-03-2018. Calculate his taxable income for the P. Y. year 2017-18.

1. Monthly basic salary Rs. 20,000 which is increased to Rs. 25,000 from 1-9-2017.
2. Monthly dearness allowance Rs. 12,500.
3. Bonus Rs. 25,000.
4. Monthly entertainment allowances Rs. 1,250.
5. Education allowance (annual) Rs. 2,000 (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 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.5 Mr. Gajananji 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 Malay is the owner of three house. Find out the taxable income from house property for the A.Y. 2018-19 from the details given below:

Particulars	House no.1 Rs.	House no.2 Rs.	House no.3 Rs.
Usage	Let out	Let out	Self -occupied
Municipal value	63,600	61,200	200,000
Fair rent	96,000	60,600	-
Standard rent	84,000	62,400	-
Rent receivable	1,14,000	84,000	-
Local taxes paid	2500	2500	5%
Vacancy period	3 months	½ months	-
Unrealised rent	9500	7,000	-
Unpaid interest on loan for construction	24,850	12000	48,250

****