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

B.B.A. Semester - 5 (Remedial) (*CBCS*) Examination
March/April-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 Define the following terms. (Any Two) (14)
1. Person
2. Incidence of Tax
3. Previous year and Assessment Year
4. Heads of income

OR

Que.1 Write a Short notes on. (14)
1. Explain with illustration 'Gross Total Income' and 'Total Income'.
2. What is meant by Agricultural Income? Give four illustrations of non-agricultural income.'

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

Que.3 Following is the profit and loss Account of Mr. Chhaganlal (Aged 67 years) for the year ended on March 31, 2018. Compute his total income and tax liability for the assessment year 2018-19. (14)

Particular	Rs.	Particular	Rs.
To salary	900,000	By Gross Profit	20,80,000
To General Expenses	60,000	By bad debt recovered (Not allowed as deduction in earlier year)	40,000
To Advertisement Expenses	30,000	By interest on bank deposit	36,000
To interest on capital @ 12%	48,000	By Rent received	72,000
To interest on bank loan	60,000		
To provision for bad debt	20,000		
To depreciation	70,000		
To Advance income tax	40,000		
To stationery	10,000		
To life insurance premium	50,000		
To Maintenance of car	1,40,000		
To Net profit	800,000		
	22,28,000		22,28,000

Additional Information.
1. Salary includes the salary drawn by Chhaganlal Rs. 72,000.
2. Depreciation allowable as per income tax rule amounts to Rs. 60,000.
3. Life insurance premium has been paid for the life of wife of Mr. Chhaganlal (policy value Rs. 16, 00,000).
4. 25% of car usage is for personal purpose.

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	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 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 litres 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. Srujal Constructed a house in 2015. 50% portion of the house is let out and 50% portion is used as self-residence. Both the portion are identical. The portion of self residence is also given on rent for four months. The details of house are as follows. (14)

Particulars	Rs.
Municipal Value	2,90,000
Rent of 50% Let out portion	18,000 Per month
Rent of residential portion given on rent for four months	15,000 per month
Municipal taxes	50,000
Ground rent payable	3,100
Repairs	6,000
Fire insurance premium	2,100
Interest on loan taken for construction	90,800

Calculate income from house property for the A.Y 2018-19.

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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