647510 **BBAtaxAC5040** **Seat No :________**

B.B.A. Semester - 5 (*CBCS*) Examination
July-2025 (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) Heads of Income
2) "The Incidence of income – tax depends upon the residential status of the Assessee"- Discuss.

OR

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

1) Previous year and assessment year
2) Agricultural Income
3) Total Income
4) Person

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

1) Central board of direct taxes
2) Explain any six exempted incomes
3) Appellate tribunal
4) Settlement Commission

Que.3 Shri Sahaj 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: (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	3,00,000
		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 Sahaj Pande under the head of profit and gains of Business or profession for the assessment year 2018-'19.

OR

Que.3 Following is the profit and loss Account of Mr. Madanmohan (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 profitc	800,000		
	22,28,000		**22,28,000**

Additional Information:

1) Salary includes the salary drawn by Madanmohan 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. Madanmohan (policy value Rs. 16, 00,000).
4) 25% of car usage is for personal purpose.

Que.4 Ms. Shyam is Assistant Manager of a Textile Company of Jaipur, since 1991. (14)

He has submitted the following particulars of his income for the financial year 2017-18:

1) Basic salary Rs.2,40,000.
2) Dearness Allowance Rs.5,000 per month (Rs. 200 P.m. enters into retirement benefits).
3) Education allowance for two children at Rs.150 p.m. per child.
4) Commission on sales 1% of turnover of Rs. 10,00,000.
5) Entertainment allowance Rs.700 p.m.
6) Travelling Allowance for his official tours Rs.30,000. The entire amount is spent on the official tour.
7) He was given cloth worth Rs. 1000 by his employer free of cost.
8) 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.
9) 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.
10) 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.
11) Contribution by Mr. Shyam to recognised provident fund Rs. 40,000.
12) Rent of house recovered from Mr. Shyam Rs.1,500.
13) 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.

OR

Que.4 From the following information calculate taxable income under the head salaries of Mr. Dhruvil for the A.Y 2018-19. (14)

1) Basic salary Rs. 3,60,000
2) Commission Rs. 40,000
3) Bonus one-month salary
4) HRA Rs. 60,000 (Rent paid by him at Ahmadabad Rs. 4,500 p.m.)
5) Education Allowance Rs. 1,000 p.m. for him.
6) He and his employer contribute 15% of basic salary in recognized provident fund.
7) Dearness Allowance 10% of basic pay (not considered for retirement benefit.)

Employer has also provided 1.4 litres cubic capacity motor car, used for personal as well as office purposes. All expenses of motor car are paid by the employer. Following taxes are paid by Mr. Dhruvil during the year 2017-18.

Income tax Rs. 15,600, professional tax Rs. 2,400.

Que.5 Madhav is owner of a house property. Determine Gross Annual value from the following information: (14)

Particulars	**Rs.**
Annual value as per municipal valuation **(a)**	90,000
Fair Rent **(b)**	85,000
Standard rent **(c)**	72,000
Annual Rent Receivable	84,000
Vacancy period	3 months

Also find out corrected Gross Annual value if unrealised rent is Rs. 21,000.

OR

Que.5 Determine the Gross Annual Value of Let-out Properties owned by Shri Akash for the A.Y. 2018-19. (14)

Particulars	**House No.1 Rs.**	**House No.2 Rs.**	**House No.3 Rs.**
1) Annual value as per municipal valuation **(a)**	11,200	14,400	28,800
2) Annual Fair Rent **(b)**	11,600	14,800	33,600
3) Standard rent **(c)**	11,360	14,000	28,000

4) Rate of monthly rent of the period when the house was in the occupation of tenant.	1,120	1,120	2,240
5) Vacancy period	15 days	2 months	1 months
6) Unrealised rent	1,120	3,360	1,600
(All conditions are satisfied)			

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