647510 **BBAdtMN351x-5C** **Seat No :________**

B.B.A. Semester - 5 (Remedial) (NEP-2020) Examination
March/April-2026
Direct Taxation (Minor-4)

Time: 2:00 Hours **Marks:50**

Instructions:

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

Que.1 What is **PAN** (Permanent Account Number) and what role does it play in the Indian tax system? Also explain the concept of **TDS** (Tax Deducted at Source) and its significance in ensuring tax compliance. (10)

OR

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

(1) Previous Year and Assessment Year
(2) Assessee
(3) Heads of Income
(4) Gross total Income

Que.2 What is Tax planning? Explain in detail advantages of tax planning and how does effective tax planning contribute to financial efficiency for individual and businesses? (10)

OR

Que.2 Write short notes: (Any Two)

(1) Income Tax Officer
(2) Appellate or Judicial Authorities
(3) Central Board of Direct Taxes
(4) Objectives of settlement Commission

Que.3 Mr. Ajendra Pande's profit and Loss A/c for the year ended on 31-3-2018 is given below: (10)

Particulars	Amt. Rs.	Particular	Amt. Rs.
To opening stock	4,84,000	By Sales	24,00,000
To purchase	12,00,000	By closing stock	6,30,000
To salary	3,60,000	By Bad debt recovered	10,000
To Depreciation on Machinery	60,000	By interest on Govt. Security	6,000
To interest on capital	10,000		
To income tax	68,000		
To Bad debt reserve	5,000		
To Advertisement Expenses	11,000		
To Donations	9,000		
To Motor Expenses	9,000		
To travelling Expenses	10,000		
To Net profit	**8,20,000**		
	30,46,000		**30,46,000**

Additional Information:

(1) Opening stock is valued at 10% more than the cost and closing stock is valued at 5% more than the cost.
(2) 40% of bad debt recovered was disallowed in the past.
(3) The approved depreciation on machinery is Rs. 70,000.
(4) Travelling expenses includes Rs. 6,000 for family pilgrimage and Rs. 4,000 towards business promotion tour.
(5) Motor car is used equally for office and personal purposes.
(6) A business income of Rs. 25,000 is not recorded in the above profit and loss A/c.

Compute the taxable income from business & profession for the A.Y 2018-19.

OR

Que.3 The income and expenditure Account of Dr. Divy for the previous year 2017-18 is as under:

Expenditure	Rs.	Income	Rs.
To staff salary	5,48,000	By Income from Nursing Home (Surgical)	7,20,000
To marriage expenses of son	1,72,000	By Income from operations	4,90,000
To electricity	64,000	By Dividend (Gross)	6,000
To purchase of medicine and stores	66,000	By Interest of treasury saving cert.	2,000
To Telephone expenses	10,000	By Consultation Fees	52,000
To Rent of nursing home	36,000	By Winning from lottery	6,000
To Depreciation of instruments	12,000	By birthday Gift (of a minor son)	61,000
To Depreciation of other assets	2,000	By Rental income of house property	92,000
To Local taxes	8,000		
To Rent of equipment	4,000		
To Insurance premium	14,000		
To Excess of income over expenses	4,93,000		
	14,29,000		**14,29,000**

Additional Information:

(1) Salary included Rs. 1,20,000 paid to his wife who is a qualified nurse and attends duty on weekends only.
(2) The allowable depreciation on surgical instruments is Rs. 20,000 and on other assets is Rs. 1,500.
(3) Municipal taxes include the sum of Rs. 3,000 paid in respect of his property which is let out.
(4) He has received honorarium of Rs. 72,000 as a visiting professor.
(5) Insurance premium includes Rs. 4,000 being med claim insurance (self) and Rs. 2,000 being life insurance premium.

Compute the taxable income of Mr. Divy from business and profession for the A.Y. 2018-19.

Que.4 Shri Maharaja is a managing director of a Mumbai company. From the following details of Financial Year 2020-21, compute his taxable salary of A.Y. 2021-22 and investment under section 80C. (10)

(1) Basic Salary Rs. 3,50,000
(2) Dearness Allowance 20% of basic salary (considered for retirement benefits)
(3) Commission @ Rs. 1,250 p.m.
(4) Bonus Rs. 10,000
(5) Helper Allowance Rs. 12,000
(6) City Compensatory Allowance Rs. 10,000
(7) House Rent Allowance Rs. 84,000 Yearly (Actual rent paid Rs. 7000 per month)
(8) House servant's salary paid by the employer Rs. 14,400
(9) Payment made by the employer for free supply of gas- electricity provided for personal use Rs. 6250
(10) Concessional lunch facility provided during office hours (Cost per dish Rs. 100 for 200 days is borne by the company) a token amount of Rs. 30 per dish is deducted from his salary.
(11) The employer has provided a car (With driver), all expenses of maintenance are borne by the employee, The car is for office and private use and has 1.4 cc engine.
(12) Company contribution to recognised provident fund Rs. 63,000. He has contributed to 42,000 to RPF A/c.
(13) Interest credited to recognised provident fund at 10.5% Rs. 23,100.
(14) Professional tax paid by employee Rs. 200 monthly.

(15) His investment are as under:
- Life insurance Premium Rs. 45,000.
- National Saving Certificate ix Issue Rs. 45,000.
- Fixed deposit in SBI for three years Rs. 1,00,000.

OR

Que.4 From the following details of salary income of Smt. Kavya, the Managing Director of a company, for the financial year 2017-18, compute her taxable salary of Assessment year 2018-19.

(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 Kavya 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 The following Details is available regarding house property of Mr. Puspendra. Date of completion of construction was 30-11-2017: (10)

(1)	Rent received	10,000 p.m.
(2)	Fair rent	7,500 p. m.
(3)	Municipal value	72,000 p.a.
(4)	Local taxes (out of which 60% paid during the year)	8,000 p.a.
(5)	Repairs	4000
(6)	Collection charges	1,000
(7)	Interest on loan (un paid) of post construction	9,000
(8)	Capitalised interest of construction period	10,000
(9)	Land revenue (Annual)	4,000
(10)	Ground rent (Annual)	5,500
(11)	Loan repayment due but not paid	16,000
(12)	Insurance premium (Annual)	2,000

The house is rented for residence purpose. The property remained vacant during March 2018. Compute the taxable income under the head 'income from House property for A.Y 2018-19 for **four months.**

OR

Que.5 Sahaj owns three houses. Find out his taxable income from house property for the A.Y. 2021-22 from the details given below:

Particular	**House No. 1 Rs.**	**House No. 2 Rs.**
Usage	Let Out	Let Out
Municipal Value (Annual)	48,000	50,400
Fair Rent (Annual)	46,800	49,200
Standard Rent (Annual)	45,600	51,600
Rent receivable (Monthly)	4,500	7,500
Vacancy period	1 Month	½ Month
Local taxes paid	5%	750
Unrealised rent	9,000	7,500
Interest on loan for repairs	7,090	42,400

His residence in House No.3, of which Municipal value is Rs. 84,000. Local taxes are 6% and interest on loan for repairs is Rs. 9,200.

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