

Seat No. : _____

ML-103

May-2022

BBA., Sem.-V

CC-306 : Direct Tax

Time : 2 Hours]

[Max. Marks : 50

- Instructions :**
- (1) All questions in Section-I carry equal marks.
 - (2) Attempt any **two** questions in Section-I.
 - (3) Question No. 5 in Section-II is compulsory.

SECTION-I

1. (A) Write short notes on : **10**
- (i) Person
 - (ii) Previous year with exceptions
- (B) Particulars of income of Shri Kumar for the P.Y. 2020-21 are as follows : **10**
- | | (₹) |
|---|----------|
| (1) Interest on foreign government securities, half of which was received in India | 1,00,000 |
| (2) Income from property in a foreign country | 92,000 |
| (3) Profit of a foreign business, which is controlled from Mumbai | 3,00,000 |
| (4) Income received outside India during 2019-20 is brought to India during current year. | 60,000 |
| (5) Profit from an Indian business (in Mumbai) which is managed from abroad. | 94,000 |
| (6) Pension from a former Indian employer, received outside India. | 80,000 |
| (7) Dividend received outside India from shares of a foreign company. | 60,000 |

- | | | |
|------|--|----------|
| (8) | Interest on Fixed Deposit paid by an Indian company but received outside India. | 46,000 |
| (9) | Income from property in London, received in India. | 1,04,000 |
| (10) | Income from agriculture in Bangladesh received there but later on remitted to India. | 80,000 |

Compute total income of Shri Kumar if he is :

- Resident and ordinary resident
- Resident but not an ordinary resident
- Non-Resident

2. (A) Mr. Tejas is working in a company at Mumbai as a manager (a specified employee). From the following details of financial year 2020-21, compute his taxable salary for A.Y. 2021-22 : **10**

- (1) Basic salary ₹ 30,000 per month.
- (2) Dearness Allowance is 25% of basic salary. (Considered for Provident Fund)
- (3) Education allowance ₹ 8,400 (for three children)
- (4) Company's contribution to Recognised Provident Fund is 14% of salary.
- (5) Interest credited to R.P.F. a/c at 14% is ₹ 42,000.
- (6) Company has provided him a car of 1200 cc engine with driver for both purpose. All expenses are paid by the company.
- (7) House Rent Allowance ₹ 10,000 p.m. (Actual rent paid is ₹ 8,000 p.m.)
- (8) Bonus – one month's basic salary.
- (9) Free lunch facility provided during office hours for 250 days is at ₹ 80 per dish. (Cost is borne by the company)
- (10) Professional tax paid by him is ₹ 200 p.m.

(B) Shri Rakesh is working at a private company. The details regarding the P.Y. ending 31-3-2021 are as under :

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- (1) Basic Salary ₹ 40,000 per month.
- (2) Dearness Allowance : 40% of basic salary. (50% of D.A. is considered for retirement benefits.)
- (3) Bonus – One month's basic salary.
- (4) Medical allowance ₹ 1,000 p.m.
- (5) Conveyance allowance (only 25% spent) is ₹ 2,000 p.m.

He is provided a free furnished house owned by company. The fair rent of this house is ₹ 7,000 per month. The company also provides for furniture costing ₹ 2,00,000. The company deducts ₹ 2,000 p.m. from his salary for the above perquisite.

Compute the taxable value of residential accommodation for A.Y. 2021-22 if the house is in a city having a population of 40 lakhs.

3. (A) Shri Chintan's Profit & Loss account for the P.Y. ending 31st March 2021 is given below :

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Particulars	(₹)	Particulars	(₹)
To Opening Stock	1,10,000	By Sales	10,00,000
To Purchases	6,00,000	By Rent received	1,00,000
To Audit Fee	40,000	By Discount	50,000
To Building repairs (let-out)	10,000	By Closing Stock	2,00,000
To Rent collection charges	12,000	By Bad Debt Recovery	60,000
To Bad-debt reserve	40,000	By Interest & dividends	25,000
To Commission on loan	12,000		
To Interest on Capital	1,10,000		
To Contribution to Staff welfare fund	31,000		
To Income-tax provision	60,000		
To Depreciation	75,000		
To Reserve for future contingency	15,000		
To General expenses	42,000		
To Net Profit	2,78,000		
	14,35,000		14,35,000

Additional Information :

- (1) General expenses include ₹ 12,000 for payment being made for personal purchase of Mr. Chintan.
- (2) Allowable depreciation as per Income-tax Act is ₹ 80,000.
- (3) Bad-debt recovered ₹ 20,000 was not allowed as bad-debt in previous year.
- (4) Opening stock is valued at 10% more than the cost.
- (5) An unrecorded income of ₹ 2,00,000 is found out from the pass-book.

Compute Mr. Chintan's taxable business income for P.Y. 2020-21.

- (B) Find out taxable income from business and profession from the following cash account of Dr. Parag Parikh for the year ending on 31-3-2021 :

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Particulars	(₹)	Particulars	(₹)
To Opening bad-debt	54,000	By Hospital rent	2,20,000
To Rent of Operation theatre	3,20,000	By Hospital expenses	1,15,000
To Gifts received from patients	24,000	By Life Insurance Premium	51,000
To Gifts received from relatives on his B'day	10,000	By Fire Insurance Premium	
To Sale of Medicines	44,000	Hospital	18,000
To Bank Interest	1,800	Residence	<u>6,000</u>
To Consultation Fees	4,10,000	By Municipal taxes	24,000
To Dividend on shares	4,100	Hospital	6,000
		Residence	<u>3,000</u>
		By Purchase of medicines	1,15,000
		By Purchase of surgical equipment (1-1-2021)	2,00,000
		By Vehicle Exp. (Personal)	12,000
		By Conference Fee	8,000
		By Salary	20,000
		By Closing Bal. C/d	93,900
	8,67,900		8,67,900

Additional Information :

- (1) Opening written down value of surgical equipment is 5,00,000. Rate of depreciation is 20%.
- (2) Opening and closing stock of medicine were ₹ 20,000 and ₹ 35,000 respectively.
- (3) ₹ 25,000 gift received from patients has not been recorded in the books.
- (4) Salary includes ₹ 8,000 paid to wife of Mr. Parag Parikh. She does not render any service to the business.

4. (A) Write short notes on : **10**

- (1) Gross Annual value under Income from House-Property.
- (2) Types of Capital Asset under income from Capital Gain.

(B) From the following information given below, calculate the taxable income from other sources of Mrs. Sheetal for the P.Y. 2020-21 : **10**

	(₹)
(1) 12% tax free debentures of R.K. Ltd. (TDS at 10%)	1,12,500
(2) Agricultural income from land in Gujarat	1,00,000
(3) Winning from lotteries (net of taxes at 30%)	35,000
(4) Director's fees from a company	15,000
(5) Royalty on book written by her	60,000
(6) Ground rent income	87,500
(7) Composite rent of factory building and machinery	47,500
(8) Family Pension Received	90,000

Mrs. Sheetal has presented the claim to get deduction in respect of following expenses :

- (1) Interest paid on loan taken to make investment in debenture. 2000
- (2) Expense (Cost) of lottery ticket bought. 1,000

SECTION-II

5. Do as directed : (Any Ten)

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- (1) Rent for agricultural land received from tenant or sub-tenant is agricultural income. State true or false.
- (2) City Compensatory Allowance is fully exempt. State true or false.
- (3) Penalty is an inadmissible expense. State true or false.
- (4) State any one Indirect Tax.
- (5) _____ is taxed under income from house-property.
 - (a) Owner
 - (b) Tenant
 - (c) Sub-tenant
 - (d) All of the above
- (6) Unexplained cash, investment and cash credits is taxed under income from _____.
(Business & Profession/Other Sources/Capital gain)
- (7) Define : 'Prequisite'.
- (8) Classify Gujarat University in context of Person.
 - (a) Local authority
 - (b) Company
 - (c) Firm
 - (d) An artificial juridical person
- (9) Interest on 7% capital investment bonds is _____ from tax.
(taxable, exempt)
- (10) Transport allowance given to blind or handicapped employee is exempt upto ₹ _____ per month.
(1600 / 3200 / Nil)
- (11) Telephone/Mobile provided by an employer to an employee at his residence is _____ perquisite.
(Taxable, Exempt)
- (12) Jewellery is a taxable capital asset.
(State True or False)

(13) Where any asset is 'Put to Use' for business for a period of less than 180 days, depreciation will be allowed at _____ the prescribed rate.

(Full, Half)

(14) Cost Inflation Index for F.Y. 2020-21 is _____.

(289 / 301 / 318)

(15) Under Income from house property, standard deduction is _____% of Net Annual Value (NAV).

(30 / 20 / 10 / Nil)
