

P.G.D.I.F.A. (Sem.-II) Examination
Paper VIII : Taxation Direct and Indirect Taxes
May-2017

Time : 3 Hours]

[Max. Marks : 100

Q.1: Answer the following questions. (7 X 2Marks)

1. Direct Taxes 2. Indirect Taxes 3. Agricultural income
 4. Assessment year 5. Person 6. Casual income 7. Assessee

OR

Q.1 X, owns a building consisting of three identical units, the construction of which was completed on 1.4.2015. The building was occupied from 1.4.2016 onwards. The particulars pertaining to the three units for the year ended 31.3.2016 are given below: [14]

	Unit I	Unit II	Unit III
	Rs.	Rs.	Rs.
Fair rent	60,000	60,000	60,000
Rent received		72,000	
Municipal taxes:			
Paid	3,000	5,000	3,000
Due but not yet paid	3,000	5,000	3,000
Land revenue due but outstanding	1,200	1,200	1,200
Ground rent due, not yet paid	2,400	2,400	2,400
Nature of occupation	Self-occupied	Let out	Used for
	for residence	for residence	own business

On 1.4.2014, X had borrowed a sum of Rs. 7,50,000 bearing interest at 8% per annum for construction of this building. The total cost of construction of the building was Rs. 12,00,000. Compute the Income under the head "Income from House property" for assessment year 16-17.

Q.2

[A] Mr. Robert who is citizen of USA. He visited India since last 10 years continuously for business purpose during the month of Sept, Oct and Nov every year. Find out his residential status for the assessment year 2016-17.

Does it make any change in your answer if he visit during Oct, Nov and Dec every year? [07]

[B] Mr. Patel who is citizen of India. He is providing following information related with different previous years in which he stay in India. [07]

Previous Year	No. of days stay in India
2009-10	200
2010-11	160
2011-12	54
2012-13	280
2013-14	365
2014-15	100
2015-16	198

From the above information find out his residential status for the assessment year 2016-17.

OR

Q.2

[A] R comes to India, for the first time, on 14.4.2013. During his stay in India up to 3.10.2015, he stays at Mumbai up to 8.4.2015 and thereafter remains in Delhi till his departure from India. Determine his residential status for the assessment year 2016-17. [07]

[B] R is a foreign national (not being a person of Indian origin). During the financial year 2015-16, he comes to India for 91 days. Determine his residential status for the assessment year 2016-17 on the assumption that during financial years 2002-2003 to 2014-15, he was present in India as follows: [07]

2003-04	315 days	2010-11	359 days
2004-05	16 days	2011-12	180 days
2005-06	40 days	2012-13	307 days
2006-07	72 days	2013-14	67 days
2007-08	179 days	2014-15	12 days
2008-09	362 days	2009-10	22 days

(P.T.O)

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Q.3: Answer the following questions. (7 X 2Marks)

1. Advance tax
2. Tax deducted at Source
3. Dividend income
4. Interest income
5. Bond washing transactions
6. Income tax officer
7. Composite rent

OR

Q.3 ABC Ltd is providing following information for the assessment year-2016-17. You are required to find out admissible depreciation under section-32 of income tax act. [14]

Types of assets	WDV as on 01-04-2015	Rate of Depreciation
Machinery:		
M-1	150000	10 %
M-2	400000	10 %
M-3	250000	15 %
Building		
B-1	1500000	15%
B-2	2500000	15%

Additional adjustments:

1. Company purchased machinery M-4 at Rs.500000 with rate of depreciation at 10% as on 1-1-2016.
2. Sale of Building B-1 at Rs.1600000 as on 1-10-2015.
3. Purchase of Patent of Rs.200000 having rate of depreciation at 25 %

Find out admissible depreciation for the assessment year 2016-17.

Q.4: Answer the following questions.

(7 X 2Marks)

1. List out any Four inadmissible expenses under income from business or profession.
2. What is Permanent Account Number?
3. Taxability of Family pension.
4. Provisions for Gratuity under income from salary.
5. Deduction under section 80G and 80C
6. Difference between Business and Profession
7. Block of Assets

OR

Q.4: Ashwani Kumar has prepared the following Profit and Loss Account for the year ended 31.3.2017. You are required to ascertain his gross total income for the year ended on that date: [14]

	Rs.		Rs.
Salaries	60,000	Gross profit	1,50,000
Rent	26,400	Rent from house property	30,000
Loss by theft	20,000	Dividend income	6000
Depreciation	10,000		
Charity	500		
Sales Tax	6,000		
Reserve for bad debts	10,000		
Gift and presents	500		
Life insurance premium	1,000		
Interest on loan	12,000		
Interest on capital	3,000		
Repairs to house	500		
Income-tax	2,000		
Net profit	34,100		
	1,86,000		1,86,000

Adjustments:

1. Salary includes salary of house hold servant of Rs.15000
2. Unrecorded income of Rs.10000.
3. Depreciation as per income tax act Rs.12000.

From the above information find out taxable income under business for the assessment year 2016-17.

Q.5 Answer the following questions.

(7 X 2Marks)

1. What is value Added tax?
2. What is Service tax?
3. Basic conditions for levy of excise duty
4. How is VAT different from the earlier Sales Tax System?
5. Definition of Dealer and Good under Central excise.
6. Difference between tax and duty
7. Input tax credit

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