

Seat No. : _____

LA-105

April-2014

S.Y. MBA Sem.-IV (Integrated)

Direct Taxes

Time : 3 Hours]

[Max. Marks : 100

1. Answer the following : (Any two) 20
- (1) “An Assessee is not liable in respect of his own incomes for the tax purposes but his liability may extend to some other incomes also.” Comment on this statement and also discuss the relevant provisions in details.
- (2) Explain the following deductions :
- (a) Deduction u/s 80 DD
(b) Deduction u/s 80 QQB
(c) Deduction u/s 80 U
(d) Deduction u/s 80 E
- (3) Discuss in details provisions regarding Set-off and carry-forward of losses under the head :
- (a) Capital Gains
(b) Speculative Business
(c) House Property
(d) Income from maintenance of race Horses
2. (a) Mr. Ranjit submits the following information. Compute Total Income and Tax liability for Assessment year 2013-14. 10

Particulars	Amt. (₹)
Income under the Head Salary (computed)	15,00,000
Income from House Property A	5,00,000
Loss from House B	1,20,000
Loss from House C	1,00,000
Long term capital gain from sale of shares	2,00,000
Long term capital gain from sale of gold	1,50,000
Long term capital loss from sale of silver	2,25,000
Short term capital loss from sale of land	75,000
Interest from Government securities	60,000
Interest on NSC	30,000
Interest from FD	4,00,000
Loss from horse race in Mumbai	1,50,000

He made the following payments :	
Deposit in PPF	1,00,000
Purchase of NSC VIII during the year	6,00,000
Medical Premium paid for himself and wife	17,000
Medical Premium paid for father (65 years)	25,000
Interest on loan paid for higher education of children	50,000
He made the following donations :	
(i) Prime Ministers Relief Fund	1,20,000
(ii) Prime Ministers Drought Relief fund	15,000
(iii) Zila Shaksharta Samiti	15,000
(iv) National Blood Transfusion Council	1,00,000
(v) Govt. of Delhi for Family Planning	3,00,000
(vi) Public Charitable Institution	2,00,000

- (b) Mr. Ross has estates in Rubber, Tea and Coffee. He has also nursery wherein he grows plants and sells. For the previous year ending March 31, 2013, he furnishes the following particulars of his sources of income from estates and sale of plants. You are requested to compute his taxable income for the assessment year 2013-14.

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Particulars	Amount (₹)
Manufacture of Rubber	10,00,000
Manufacture of coffee grown and cured	7,00,000
Manufacture of Tea	14,00,000
Sale of Plants from Nursery	2,00,000
Rent received from House property p. a.	60,000
Other Agricultural Income	60,000
NSC (VIII Issue) purchased on 25.3.2013	60,000

Compute his taxable income and tax liability for the assessment year 2013-14.

3. Answer the following : [Any **four**] 20
- (1) Write a short note on Belated return under section 139(4).
 - (2) Discuss the procedure for allotment of PAN. Mention the transactions where quoting of PAN is made compulsory.
 - (3) When the assessing officer can make the Best judgment assessment under section 144 ?
 - (4) Original return for assessment year 2012-13 was submitted by Robin on 15th June, 2012. Return was processed under section 143(1) on 5th July, 2012. Robin wishes to file a revised return. Can he do so ? If yes then what would be the time limit ? What do you mean by "Revised return" under section 139(5) ? Can a revised return be further revised ?
 - (5) What do you mean by self-assessment ? Discuss the procedure for making self-assessment and determining the tax liability.
4. Mr. Tommy is a General Physician, furnishes the following information of his receipts and payment A/c for the financial year 2012-13 : 20

Receipts	Amount (₹)	Payment	Amount (₹)
Balance b/d	1,38,000	Rent of clinic:	
Consultation fees :		2012-13	1,05,000
		2013-14	1,00,000
From other states	3,00,000	Water and	
		Electricity charges	6,000
From Gujarat	6,45,000	Purchase of Professional	40,000
		books	
Visiting fees	1,55,000	Household Expenses	70,000
Rent from House property	1,15,000	Printing and Stationery	2,000
		Exp.	
Sale of Medicines	2,00,000	Motor Car Exp.	7,000
Dividend from Units of UTI	12,000	Surgical Equipment	4,00,000
		purchased	
Royalty income for articles	50,000	Income Tax paid	7,500
Dividend from Cooperative	5,000	Office Expenses	12,000
society			
Interest on Govt. Securities	20,000	Salary to Staff	80,000
Interest from Savings Bank	17,000	Life Insurance Premium	11,000
Deposits			
		Donation to Institution	50,000
		approved u/s 8 G	
		Municipal Tax paid	5,000
		Balance c/f	7,61,500
	16,57,000		16,57,000

The following information is available :

- (1) Motor Car is used only for professional purpose
- (2) Professional books are purchased on 1/05/2012. Depreciation rate is 100%.
- (3) Surgical equipments are purchased on 1/11/2012. Depreciation rate is 15%.

5. (A) ANSWER the following : (Any two) 10
- (1) Explain the provisions relating to deduction of tax at source from salary.
 - (2) Write a short note on Tax deduction and collection account number.
 - (3) Deduction of tax at source from Interest on securities.
- (B) Compute the advance tax payable by an assessee from the following estimated income submitted for the financial year 2012-13 : 10

Particulars	₹
Income from Salary	5,76,000
Rent from house property (per annum)	3,80,000
Interest on Government Securities	24,000
Interest on Saving Bank Deposits	14,000
Agricultural Income	90,000
Contribution towards PPF	70,000
Tax Deducted at Source by Employer on Salary	36,970
