

Seat No. : _____

MF-105

March-2019

B.B.A., Sem.-V

CC-306 : Direct Tax

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Write a short note on : 14

- (i) Assessment year and Previous year.
- (ii) Income exempt from tax.

OR

- (i) Mr. Akash Shrivastav, an Indian citizen regularly visited to London for company's work. Particular of his stay in London during relevant previous year are as follows : 7

Previous year	No. of days stayed in London
2010-11	310
2011-12	315
2012-13	325
2013-14	311
2014-15	0
2015-16	255
2016-17	312
2017-18	185

Determine his residential status for P.Y. 2017-18.

- (ii) Following are the income details of Mr. Abhay Acharya during previous year 2017-18. 7

	Particular	₹
1.	Income from Agriculture in Dhaka Received there.	78,500
2.	Dividend received from Ambuja Cement Ltd.	8,800
3.	Profit from a business in Myanmar, which is managed from Surat .(20% of the profit is received in India)	21,000
4.	Income received in earlier previous year outside India, but brought in India during the previous year.	32,500
5.	Profit from a business in India, which is managed from London.	22,800
6.	Interest on F.D. paid by foreign company.(3/5 of which received in India)	37,200
7.	Pension from former employer in India received in Perth.	10,500

Find out his gross total income. If he is (i) Resident and ordinarily resident (ii) Resident but not ordinarily resident (iii) non-resident in India.

(B) Do as directed : (any **FOUR**)

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- (1) Legal methods to modify an individual's financial situation to lower the amount of income tax is called ?
 - (a) Tax avoidance
 - (b) Tax Evasion
 - (c) Tax planning
 - (d) None
- (2) Income tax Act, 1961 was made applicable from _____.
 - (a) 1-4-1961
 - (b) 1-4-1962
 - (c) 1-4-2007
 - (d) 1-4-2013
- (3) State the exemption limit for P.Y. 2017-18 in case of Senior Citizen.
 - (a) 2,50,000
 - (b) 3,00,000
 - (c) 5,00,000
 - (d) 10,00,000
- (4) Income earn and received in Selvas is considered taxable income for
 - (a) Ordinary Resident only
 - (b) Resident only
 - (c) Non-resident only
 - (d) For all three
- (5) Classify Gujarat University in context of person.
 - (a) A Local Authority
 - (b) An Association of person
 - (c) An artificial Juridical person
 - (d) A Firm
- (6) Classify Zydus Limited in context of person.
 - (a) A Local Authority
 - (b) An Association of person
 - (c) An artificial Juridical person
 - (d) A Company

2. (A) Mr. Anil Mevada is an employee in Alpha Limited. Find out taxable salary income for the previous year 2017-18.

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- (1) Dearness Allowance (@ 40% of Basic Pay) ₹ 80000
 - (2) House Rent Allowance ₹ 3000 per month
 - (3) Education Allowance (for 3 Childrens) ₹ 8,000
 - (4) Hostel Allowance (for 2Childrens) ₹ 12,000
 - (5) Transport Allowance ₹ 2000 p.m.
 - (6) Employers contribution to R.P.F. is ₹ 5000 p.m.
 - (7) The Company has paid ₹ 15,500 for his family member's medical expenses.
 - (8) A laptop bough by the company on 1-4-2016 for ₹ 75,000 was provided to him for his personal use and it was purchase by him on 1-4-2017 for ₹ 22,500
 - (9) The Company gave him loan of ₹ 5,00,000 at 4.25% annual interest for purchased a motor car on 1-10-2017.(SBI rate on such loan was 9.25% on 1-4-2017)
 - (10) The Company had provided him a flat in Ahmedabad, for which company has paid Rent of ₹ 3,000 p.m. and Furniture of ₹ 1,76,000 has been provided by the company. ₹ 300 p.m. has deducted from his salary for the said facility
 - (11) Professional Tax paid ₹ 200 p.m.
- Compute Taxable salary for the Previous year 2017-18.

OR

(A) (i) Mr. Kandarp is employed at Kolkata with Pharmaceutical firm as sales manager. He furnished following particulars. 7

(1) He joined on 1-7-2013 in the grade on 20,000-2000-26,000-5,000-61,000, the increment due on 1st July every year.

(2) Dearness allowance:8,000 p.m. (50% of which considered for retirement)

(3) HRA: 6,000 p.m.

He pays ₹ 8,000 p.m. as rent for residential house. He vacates rented house and shift to his own house from 1-1-2018. Calculate taxable HRA for the P. Y.2017-18.

(ii) Explain in brief any seven perquisites exempted from Tax for all types of Employees 7

(B) Do as directed : (any **FOUR**) 4

(1) Lunch Facility Provide by employer is exempt upto ₹ _____ per lunch.

(a) 50 (b) 100

(c) 150 (d) 200

(2) How much amount is considered as taxable income for employee, if Gas, water and electricity charge paid by company ₹ 10,000 (1/4 use for office purpose) ?

(a) 2,500 (b) 5,000

(c) 7,500 (d) 10,000

(3) Employer has provided a car (capacity 2.0 litres) for official and personal purpose. All expenses are met by employers including driver. Find out taxable perquisite.

(a) 21,600 (b) 30,000

(c) 32,400 (d) 39,600

(4) Interest credited to R.P.F.is exempt upto _____ %.

(a) 7.5 (b) 9.5

(c) 10 (d) 12.5

(5) Gift received from relative is fully exempt. (True/False)

(6) Gratuity received to the government employees is fully exempt. (True / False)

3. (A) Determine taxable income from business from the profit & loss Account and other information of Mr. Hardik Pandya for the year ending 31-3-2017.

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Particular	₹	Particular	₹
To Rent	18,000	By Gross Profit	4,40,700
To Salaries	1,45,000	By Bad Debts recovered	12,000
To Sales tax	20,000	By Discount Received	8,000
To Income tax	55,000	By Commission Received	6,000
To wealth tax	32,000	By Dividend From	5,800
To Advertisement	24,000	Foreign Company	
To Travelling expenses	18,000	By Dividend From Indian	7,600
To Insurance		Company	
Shop 3000		By Winning From	10,800
Warehouse 4000		Lotteries	
House 2000	9,000	By Gift from relatives	4,800
To Donation	10,000		
To Bonus to staff	14,000		
To Theft of office furniture	6,000		
To Theft of goods	4,000		
To Motor car expenses	32,000		
To Purchase of new Computer	30,000		
To Prov. Fund Contribution	23,000		
To Net Profit	55,700		
	5,00,000		5,00,000

Additional Information :

- (1) Salaries include ₹ 40,000 paid to partner and 25,000 paid to wife and she does not provide any service.
- (2) Donation are eligible for deduction u/s 80G.
- (3) Half of the use of motor car is for personal use.
- (4) Depreciation allowed @ 50% on computer for 6 months.
- (5) 1/4 of advertisement expenses is for the next year.
- (6) 40% of Bad debt recovered was allowed in the past.
- (7) Travelling expenses includes ₹ 6000 for family tour.

Compute the taxable income from Business and profession for the P. Y.2017-18.

OR

- (A) (i) Dr. A.B.Shah provide following information pertaining to the P.Y. 2017-18. Compute his taxable income under the de ad “Income from business and profession”.

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A. Receipts at the hospital during the year

1	Consultation charges	8,50,000
2	Operation charges	13,50,000
3	Gross income from hospital	11,00,000
4	Net surplus in supply of medicine	6,50,000
5	Gift from Relatives	80,000
6	Interest on deposit with B.O.B.	12,500
7	Dividend from foreign company	45,000
8	Gift from patient	1,10,000

B. Expenses during the year

No	Particulars	₹
1	Hospital Expenses	9,45,000
2	Personal Expenses	2,10,000
3	Income tax	65,000
4	Motor Car expenses	2,70,000
5	Purchase of Equipment	15,55,000
6	Charity	45,000
7	Life Ins. Premium	15,000
8	Depreciation	85,000
9	Travelling Exp.	85,000
10	Bank Interest	40,000

C. Additional Information

1	Additional Information.
2	2/3 of motor car is use for professional purpose.
3	Depreciation of ₹ 45,000 is disallowed by income tax officer.
4	Travelling expenses includes ₹ 35,000 for personal tour.
5	₹ 5,000 included in the bank interest is for a loan taken for personal purpose.

(ii) Dr. Virat Kohli provide following information for the P.Y. 2017-18.

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Prepare Statement:(1) Allowable Income and (2) Allowable Expenses

No.	Particulars	₹
1	Visit Fees	25,000
2	Staff Salary	90,000
3	Consulting fees	78,000
4	Telephone bill	2,000
5	Municipal taxes	8,000
6	Sale of Medicine	12,000
7	Sale of Instrument	15,000
8	Hospital rent paid	45,000
9	Income from Operation	1,90,000
10	Diwali Expenses	10,000
11	Profit on sale of Share	4,500
12	Gift from Patient	5,000
13	Gift from relatives	8,000
14	Hospital insurance	11,000

(B) Do as directed : (any **THREE**)

3

(1) Which of the following expenses is not allowed under the head of Business & Profession ?

- (a) Donation (b) Theft of goods
(c) Workers Training Exp. (d) P.F. Contribution

(2) Which of the following expenses is allowed as deduction while computing the business income ?

- (a) Sales Tax (b) Wealth tax
(c) Income tax (d) None

(3) Any activity carried on with a view to earn profit is called _____

- (a) Trade (b) Business
(c) Commerce (d) All

(4) Opening and closing stock of medicine were ₹ 45,000 and 15,000. Purchase of medicine during the year of ₹ 50,000. Find out Consumption of medicine.

- (a) 20,000 (b) 40,000
(c) 60,000 (d) 80,000

(5) Which of the premium is treated as business expenses ?

(Life Insurance Premium/Insurance premium on stock in trade)

4. (A) From the following information, you are required to computer taxable income of Mr. Raju Shrivastav under the head Income from other source for the P.Y. 2017-18. 14

Sr No.	Particulars
(1)	₹ 2,07,000 10% tax free debenture of Apple Ltd.(TDS 10%)
(2)	₹ 2,70,000 10% less tax debenture of Logitech Ltd.(TDS 20%
(3)	₹ 24,000 as interest received on 10% tax free debenture of Alpha Ltd.(TDS 20%)
(4)	₹ 36,000 as interest received on 10% less debenture of Index Ltd. (TDS 10%)
(5)	Family Pension received ₹ 30,000
(6)	Birthday gift received from friend ₹ 51,000
(7)	Marriage gift received from brother ₹ 25,000
(8)	Winning from lotteries ₹ 42,000 (Net)
(9)	Interest on 7% Capital Investment Bonds. ₹ 11,000
(10)	Agricultural income from land situated in Lakshadweep ₹ 20,000
(11)	Agricultural income from land situated in Maldives ₹ 20,000
(12)	Interest on Post office shavings bank account ₹ 8,500 (Joint account)

He has paid ₹ 500 for collecting interest and ₹ 100 paid for lottery ticket.

OR

- | | | |
|------|--------------------------------------|---|
| (i) | Write note on : Gross Annual Value | 7 |
| (ii) | Write note on: Types of capital gain | 7 |
- (B) Do as directed : (any **THREE**) 3
- (1) Interest paid during the construction period, it is to be accumulated will be claimed as a deduction in _____ equal annual installment from the year of completion of construction ?
 - (a) 3
 - (b) 5
 - (c) 8
 - (d) 10
 - (2) In case of self-occupied house if loan is taken for reconstruction on or after 1-4-1999, maximum interest of ₹ _____ p.a. is allowed as deduction.
 - (a) 30,000
 - (b) 50,000
 - (c) 1,00,000
 - (d) 2,00,000
 - (3) Which of the following assets are not capital asset for the purpose of capital gain ?
 - (a) Jewellery
 - (b) Stock in trade
 - (c) Share capital
 - (d) All
 - (4) Dividend declared by Unit trust of India is _____
 - (a) Fully Taxable
 - (b) Partly taxable
 - (c) Fully exempt
 - (d) None of Above
 - (5) Grossing up is not required on _____ debenture. (Tax free / Less tax)
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