

Seat No. : _____

MF-102

April-2025

B.B.A., Sem.-V

CC-306 : Direct Tax

Time : 2:30 Hours]

[Max. Marks : 70

1. Write a short note on : (Any two)

14

- (i) Assessment year and Previous Year
- (ii) Income exempt from tax
- (iii) Tax Planning and Tax Avoidance
- (iv) Agricultural Income

OR

1. (A) Mr. Ishan Kishan, a citizen of India has been regularly visited to Australia for company's work. He spent following days in Australia during relevant previous year. Determine his residential status for the Assessment Year 2023-24.

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P.Y.	No. of days stay in Australia
2015-16	295
2016-17	182
2017-18	255
2018-19	286
2019-20	180
2020-21	320
2021-22	310
2022-23	300

1. (B) Following are the income details of Ms. Sara Tendulkar during A.Y. year 2023-24 :

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	Particulars	₹
1.	Income from Agriculture in Darjeeling.	1,02,000
2.	Profit from a foreign business, which is controlled from India. (1/3 of the profit is received outside India)	27,000
3.	Interest from property in New Zealand.	38,000
4.	Profit on sale of property in Rajkot received in France.	1,32,000
5.	Profit from a business in India, which is managed from Mauritius.	98,000
6.	Income received in earlier previous year outside India, but brought in India during the previous year.	49,200
7.	Pension from former employer in India received in Las Vegas.	45,500

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

2. Mr. Manoj Modi is an employee in a private company in Ahmedabad. Find out taxable salary income for the A.Y. 2023-24.

14

- (1) Basic salary ₹ 5,20,000 p.a.
- (2) Dearness Allowance : 60% of Basic Salary. (1/3 of D.A. is considered for retirement benefits)
- (3) Education Allowance (Including Hostel Allowance) ₹ 1,200 per month, per child. (He has 2 Children of whom 1 child studying in hostel)
- (4) Employer's contribution to R.P.F. at 12.5% of salary.
- (5) He has been provided a car of 1.8 c.c. by the company. The car is used for personal as well as office purpose. The maintenance and driver's salary expenses are paid by company.
- (6) Lunch facility is provided by company for 280 days. (Cost per dish ₹ 200 is borne by the company; and token amount of ₹ 70 per dish is deducted from his Salary.)
- (7) The employer has provided him a flat with furniture worth ₹ 3,50,000.

- (8) Telephone facility provided by company of ₹ 8,000 p.a.
- (9) On 1-7-2022 he took a loan of ₹ 6,00,000 from his employer to purchase a car. The company charged interest @ 5.5% p.a. as against the prescribed rate of interest of S.B.I. which is 9.5%.
- (10) Professional Tax paid ₹ 2,400.

OR

2. Write short notes on : 14
- (1) Gratuity
- (2) Transfer of any movable assets
3. Determine taxable income from business from the Profit & Loss Account and other information of Mr. Rishabh Panth for the year ending 31-3-2023 : 14

Particulars	₹	Particulars	₹
To Salaries	6,00,000	By Gross Profit	18,60,000
To Bad debts	40,000	By Bad Debts recovered	60,000
To Bad debt reserve	50,000	By Discount Received	1,50,000
To General expenses	2,20,000	By Interest and dividend	1,70,000
To Insurance premium	1,10,000	By House rent	1,20,000
To Interest on capital	50,000		
To Advance Income-tax	45,000		
To Advertisement	65,000		
To Donation	21,000		
To Motor car expenses	88,000		
To Telephone expenses	24,000		
To Depreciation	75,000		
To Sales expenses	55,000		
To Interest on loan	32,000		
To Wealth tax	10,000		
To Drawing	55,000		
To Net Profit	8,20,000		
	23,60,000		2,360,000

Additional Information :

- (1) 40% of the bad debt recovered related to bad debt not allowed as business expenses in past year.
- (2) 1/4 part of Motor car is used for personal use.
- (3) Depreciation allowed were ₹ 86,000
- (4) Telephone expenses includes ₹ 12,000 for personal use.
- (5) Insurance premium includes ₹ 55,000 being life insurance (self).
- (6) General expenses includes ₹ 1,20,000 of daughter's college fees.

Compute the taxable income from Business & Profession for the A.Y. 2023-24.

OR

3. Dr. Sandip Vora provide following information pertaining to the A.Y.2023-24.
Compute his taxable income under the head 'Income from business and profession'. **14**

Receipts	₹	Payments	₹
To Balance b/d	80,000	By Salary to staff	2,85,000
To Consultation Fees	1,72,000	By Household expenses	55,500
To Visiting Fees	87,000	By Hospital expenses	1,75,000
To Operation fees	3,32,000	By Electricity	45,000
To Sale of Medicine	45,000	By Purchase of Medicine	70,000
To Hospital Income	89,000	By Car Expenses	40,000
To Gift from friends	22,000	By Telephone bill	8,800
To Gift from patient	35,000	By Ambulance Expenses	82,000
To Income from house rent	38,000	By Municipal taxes	15,200
To Sale of surgical equipment	35,000	By Purchase of Air Conditioners	
To Salary from Medical College	88,000	(1-4-2022)	1,20,000
To Interest on fixed deposit	77,000	By Surgical Equipment Purchased	
		(1-1-2023)	1,20,000
		By Balance c/d	83,500
	11,00,000		11,00,000

Following further information has been provided :

- (1) Salary includes ₹ 45,000 paid to wife, she does not render any service.
- (2) Opening stock of medicine was ₹ 45,000 and closing stock was ₹ 54,000.
- (3) The Opening written down value of Surgical equipments was ₹ 1,10,000. Depreciation is allowed at 20%.
- (4) Air conditioners are subject to 25% depreciation.
- (5) Municipal taxes includes the sum of ₹ 5,000 paid in respect to let out house.
- (6) Car is equally used for personal and professional purpose.

4. From the following information, you are required to compute the taxable income of Mr. Desai Kiran under the head Income from other source for the A.Y. 2023-24. 14

Sr. No.	Particulars	₹
1.	Interest on debenture of A Ltd.	82,000
2.	Interest received on debenture of B Ltd. (T.D.S. 10%)	99,000
3.	Interest on 7% Capital Investment bond	25,000
4.	Interest on saving bank account	10,000
5.	Interest on post office savings bank account (Jointly held)	10,000
6.	Interest on 6.5% Treasury Savings Deposit Certificates	32,000
7.	Family pension received	54,000
8.	12% Preference share of Amul Ltd.	1,00,000
9.	12% Tax free Debenture of Gokul Ltd. (T.D.S. 10%)	3,00,000
10.	Interest on Gold Deposit Bond	18,000
11.	Net Income from Lottery	56,000
12.	Director fee from a Company	12,000
13.	Gift from brother	55,000
14.	Royalty on book written by him	19,000

₹ 4,600 was paid to the bank as commission for collecting the interest and ₹ 10,000 as interest on a loan taken to purchase 12% preference share. Calculate his taxable income under the head income from other sources for the Assessment Year 2023-24.

OR

4. (A) Write note on : Gross Annual Value. 7
4. (B) Write note on : Types of Capital Gain. 7
5. Do as directed : (Any seven) 14
- (1) Which income is treated as direct tax from the following ?
- (a) Service Tax (b) Income Tax
- (c) G.S.T. (d) None
- (2) Methods by which an assessee avoids paying tax illegally are termed as...
- (a) Tax Avoidance (b) Tax Evasion
- (c) Tax Planning (d) None
- (3) Income earned and received in Maldives is considered taxable income for
- (a) Resident & Ordinary Resident
- (b) Resident only
- (c) Non-resident
- (d) All
- (4) Classify Ahmedabad Municipal Corporation in context of person.
- (a) A Local Authority
- (b) An Association of person
- (c) An artificial Juridical person
- (d) A Firm
- (5) Classify Reliance Industries Limited in context of person.
- (a) A Local Authority
- (b) An Association of person
- (c) An artificial Juridical person
- (d) A Company
- (6) Employer's Contribution credited to R.P.F. is exempt upto _____.
- (a) 7.5% (b) 9.5%
- (c) 12% (d) 15%

- (7) Gratuity received by the Government Employee is _____.
- (a) Fully Exempt (b) Fully Taxable
(c) Partly Taxable (d) None
- (8) Which of the following expenses is allowed under the head of Business & Profession ?
- (a) Donation (b) Theft of office computer
(c) Workers Training Exp. (d) All
- (9) Interest on P.O. Saving Account is exempt Up to ₹ _____ in case of Joint Account.
- (a) 3,500 (b) 5,000
(c) 7,000 (d) 10,000
- (10) Family pension received is exempt upto 1/3 or _____, whichever is less.
- (a) 5,000 (b) 10,000
(c) 15,000 (d) 20,000
- (11) How much Net Annual Value of Self occupied House ?
- (a) As per Municipal Value (b) As per Standard Rent
(c) As per fair rent (d) Zero
- (12) In computation of _____ capital gain indexation is not necessary.
(Short term/Long term)
- _____

