

VCD 10/10/19

VIVA COLLEGE OF ARTS, COMMERCE & SCIENCE

Business Taxation – Direct Tax

Class: SYBIM(SEM 4)

Marks: 75

Duration: 2.30hrs

- N.B. 1. All Questions are compulsory carrying 15 marks each.
2. Figures to the right indicate full marks allotted to the question

Q.1 (A) State whether following statements are True or False (Any 8) (8)

1. Mediciam insurance premium is a deduction u/s 80 C.
2. Employer's contribution to statutory provided fund is exempt up to 12% of salary.
3. Municipal tax is a deduction from Net Annual Value.
4. Capital Gain arises from the transfer of capital asset
5. Dividend from foreign company is taxable.
6. Assessee means a person liable to pay tax on his income.
7. Mr."A" has two house properties. Both are self occupied. The annual value of both houses is nil.
8. Gift from relatives are exempted from tax.
9. Deduction u/s 80 C in respect of life insurance premium is allowed to individual only.
10. Assessee means a person liable to pay tax on his income.

(B) Match the Followings (Any 7)

(7)

Column A	Column B
1. Mr. Ramesh	a. Exempt u/s 10
2. Agricultural Income	b. Short Term Capital Gains
3. Dividend from Foreign Company	c. 80 E
4. Capital Asset hold for more than 36 months	d. Taxable
5. Capital Asset hold for 10 months	e. Individual
6. Interest on loan for Higher Education	f. Long Term Capital Gains
7. Interest on Savings Bank A/c	g. Rs. 20,00,000
8. Deduction for Handicapped	h. Company
9. Amount notified by Govt under Gratuity	i. 80 TTA
10. Amount notified by Govt under Leave Salary	j. 80 U
	k. Rs. 3,00,000

Q2Mr. Rohan provides the following information about his income for the year ended 31.03.2017.

- a) Basic salary Rs.25,000 p.m.
- b) Dearness Allowance at 50% of the basic salary
- c) House Rent Allowance received Rs.2,000 p.m. (exempt Rs.5,000)
- d) Travelling allowance 40,000(amount spend on travelling is Rs20,000)
- e) Rent free house provided by employer-value Rs1,00,000

- f) Enternment allowance Rs12,000
g) Reimbursement of Medical Expenses in Government hospital Rs 1,00,000
h) Profession Tax paid Rs.2,500.

Calculate the Net Taxable Salary for A.Y2018-19.

(15)

OR

Q.2 Following is the Profit and Loss Account of Miss Sunita for the year ending 31st March, 2016. You are required to compute her Income from Business for the Assessment year 2018-19

Profit and Loss Account for the year ending 31-3-2019.

Particulars	Rs.	Particulars	Rs.
Salaries	1,50,000	Gross Profit b/d	3,70,000
Provision for Doubtful Debts	12,000	Agriculture Income	25,000
Printing and Stationery	18,000	Gift from father	42,000
Advertisement	80,000	Commission Received	30,000
Travelling Expenses	25,000	Dividend from Indian Companies	26,000
Miscellaneous Expenses	48,000		
Staff Welfare Expenses	51,000		
Bad Debts	4,000		
Depreciation	49,500		
Income-tax	33,500		
Drawings	12,000		
Net Profit	10,000		
	4,93,000		4,93,000

Other Information:

- Rs. 10,000 for advertisement in souvenir of a political party.
- Depreciation as per Income Tax Rs. 45,000

Q. 3 Miss Jagruti is the owner of three house properties. From the following information furnished by her for the year ending 31st March, 2018, compute his taxable income for the Assessment Year 2018-19.

(15)

Particulars	Property No 1.	Property No 2.	Property No.3
Nature of Occupancy	Self Occupied	Let out	Let out Property
Municipal value	Rs.20,000	Property	Rs. 40,000
Fair rent	Rs.30,000	Rs. 30,000	Rs.50,000
Actual Rent	NIL	Rs.40,000	Rs.60,000
Municipal taxes paid	Rs.8000	Rs.50,000	Rs.9,000
Insurance Premiun Paid	Rs.2,000	Rs.9,600	Rs.2,000
Interest on housing loan	Rs.2,000	Rs.2,000	Rs.4,000
Date on which loan is taken	01/04/2014	Rs.3,000	01/04/2016
		01/04/2017	

OR

Q.3 (a)Miss Kiran purchased a residential house on 01-06-1980 for Rs.1,00,000. She incurred expenses of Rs. 50,000 towards cost of improvement on 02-07-2006. The fair market value of the house on 01-04-2001 was Rs 1,50,000. She sold the house on 10-10-2018 for Rs.100 lakhs. The cost inflation j index for F. Y.2001-02 is 100, for F. Y.2006-07 is 122 and for F. Y. 2017-18is 272. You are required to compute her Capital Gain for Assessment year

2018-19.(8)

Q.3 b) Miss Reshma an Indian citizen, furnishes the following particulars of income earned during the previous year relevant to assessment year 2018-19:

1. Professional fees received in India Rs.11,000
2. Income earned in India but received in Rome Rs.12,000
3. Dividend on shares of Indian companies
 - i) Received in India Rs.6,000
 - ii) Received abroad Rs.7,000
4. Salary earned and received in Paris Rs. 14,000
5. Income from agriculture in Nepal Rs. 15,000
5. Income from business in U.K. controlled from India Rs.16,000

Compute her total income for the assessment year 2018-19 assuming the residential status as:
(i) Resident and ordinarily resident; (ii) Resident but not ordinarily resident; (iii) Non resident in India. (7)

Q.4 Ms. Lalita, a Canadian citizen but of Indian origin came to India on 1st October 2012, for the first time. Her total Stay in India was as under (15)

Year Ended	No of days.
31st March 2012	25
31st March 2013	80
31st March 2014	180
31st March 2015	100
31st March 2016	25

She informs that she was in India from 1st April 2017 to 28th June 2017, both days inclusive. Determine her residential status under the Income Tax Act for the Assessment year 2018-19

OR

Q.4 Miss Vinita, Proprietor of V and Co. furnishes you the following information for the year ended 31-3-2018

Profit and Loss Account for the Year ended 31st March, 2018

Debit	Rs.	Credit	Rs
To Salaries and wages	3,60,000	By Gross Profit	7,65,000
To Salary to Proprietor	24,000	By Dividend from Bank of India	8,000
To Office Expenses	18,000	By Dividend from N.K.G.S.B. Co-operative Bank Ltd.	2,000
To Staff Welfare	30,000	By Interest on Fixed Deposit with Bank of India	12,000
To Wealth Tax	3,000		
To Provision for Bad Debts	5,000		
To Mediclaim Premium	18,000		
To Depreciation	19,000		
To Life Insurance Premium	30,000		
To Net Profit	2,80,00		
Total	7,87,000		7,87,000

Additional Information:

- (a) Depreciation as per Income Tax Rules Rs. 21,000.
- (b) Mediclaim Premium was paid in cash.

You are required to compute her total Taxable Income for the Assessment Year 2018-19 (15)

Q5.(a) Explain any 8 Exemption U/s 10.

(b) Explain term Person with suitable example.

OR

Q.5 Short Notes (Any 3)

(15)

1. Basic conditions u/s 6(1)
2. Previous Year
3. Pension
4. Investments U/s 80C
5. Deduction u/s 24

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