

(i) Printed Pages : 8

Roll No.

(ii) Questions : 14

Sub. Code :

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Exam. Code :

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B.B.A. 3rd Semester

1128

DIRECT TAX LAWS

Paper-BBA-206

Time Allowed : 3 Hours]

[Maximum Marks : 80

Note :- There are three Units 1, 2 and 3. Attempt **four** questions from **Unit 1** of **5** marks each and **two** questions from **Unit 2** of **15** marks each and **two** questions from **Unit 3** of **15** marks each.

UNIT-1

1. Define the term assessee under income tax act.
2. Explain how the residential status of a company is determined.
3. X an employee of A Co. Ltd. receives Rs. 62,000 as gratuity (he is covered by payment of Gratuity Act). He retires on January 31, 2017 after service of 29 years and 8 months. At the time of retirement his monthly salary was Rs. 3,100. Compute the taxable gratuity of Mr. X.

4. Compute the taxable capital gain from the following information:

- (a) Cost of acquisition of house at Delhi
in 1976-77 = Rs. 1,00,000
- (b) Cost of improvement in 1979-80 = Rs. 50,000
- (c) F.M.V. on 1-04-1981 (CII=100) = Rs. 1,60,000
- (d) Cost of additions made in 1988-89
(CII=161) = Rs. 1,20,000
- (e) Sale price of the house on 1-11-2016
(CII=1125) = Rs. 28,60,000
- (f) Expenses on sale = Rs. 60,000

5. Compute the income from other sources from the following information:

- (a) Dividend declared by Indian company = Rs. 6,000
- (b) Dividend declared by foreign company = Rs. 10,000
- (c) Winning from lottery = Rs. 1,00,000
- (d) Agricultural income from Nepal = Rs. 5,000
- (e) Director fee earned = Rs. 10,000
- (f) Income from giving lectures = Rs. 2,000

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|-----|-------------------------|---|------------|
| (g) | Gift from relative | = | Rs. 5,000 |
| (h) | Gift from friend | = | Rs. 10,000 |
| (i) | Family pension received | = | Rs. 30,000 |

Compute the total income of Mr. A if his residential status is (a) O.R. (b) N.O.R. (c) N.R.

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|-----|---|---|------------|
| (a) | Income from business in Mumbai | = | Rs. 4,000 |
| (b) | Income accrued in India but received
in Italy | = | Rs. 5,000 |
| (c) | Income from house property in
Karachi | = | Rs. 2,000 |
| (d) | Agricultural income from Punjab | = | Rs. 10,000 |
| (e) | Income from business in Africa, but
received in India | = | Rs. 15,000 |
| (f) | Income from property in U.K. | = | Rs. 12,000 |
| (g) | Profit from business in U.K. but
controlled from India | = | Rs. 10,000 |
| (h) | Past untaxed income brought into
India | = | Rs. 2,500 |

UNIT-2

7. Ms. Rashmi is a software engineer employed in software company at Mumbai. Following are the details of her salary :

- (a) Salary 20,000 p.m.
- (b) D.A. 5,000 p.m.
- (c) Company provided her a laptop for personal use, the cost of which Rs. 35,000.
- (d) Company sold her a washing machine for Rs. 20,000, cost of which was Rs. 30,000.
- (e) Travelling expenses to abroad Rs. 40,000 are borne by the company.
- (f) Employer contributed Rs. 10,000 toward unit linked insurance plan.
- (g) She is provided with rent free furnished quarter in Mumbai valuing Rs. 5,000 p.m. and furniture and fittings value Rs. 15,000. Population of Mumbai is 1.5 crore.
- (h) Special marriage gift given to the employee Rs. 50,000.
- (i) Planning allowance Rs. 500 p.m.
- (j) Medical expenses paid by company Rs. 10,000
- (k) Medical allowance Rs. 1,250 p.m.

- (l) Employer company has provided a big car for her personal use and expenditure incurred by the company on the car during the year is Rs. 60,000. Cost of car is Rs. 9,00,000. Assume that the salary is due on the last day of every month.

8. Mr.A who is the owner of two houses provides the following information:

	House A	House B
Date of completion	1-6-2015	1-08-2015
Standard rent	Rs. 15,000 p.a.	—
Fair rental value	Rs. 18,000 p.a.	Rs. 24,000 p.a.
Municipal Rental value	Rs. 12,000 p.a.	Rs. 20,000 p.a.
Actual rent	Rs. 12,000 p.a.	—
Municipal taxes	1,200	10% of MRV
Ground rent	400	—
Fire insurance premium	500	400
Interest on loan		
2013-14	4,000	11,000
2014-15	4,000	11,000
2015-16	3,000	11,000
2016-17	3,000	7,000

Compute the income from house property.

9. Define agricultural income. Explain the integration scheme related to agricultural income.
10. Explain 15 exempted incomes provided u/s 10 of income tax act.

UNIT-3

11. Mr. A sold the following assets during the year 2016-17 :
- (a) Land purchased in 1981-82 (CII=100) for Rs. 20,000 was sold for Rs. 2,70,000.
 - (b) Machinery purchased for Rs. 12,000 in 1984 (WDV on 1-04-2016 Rs. 6,000) was sold for Rs. 21,000
 - (c) Office furniture purchased in April 2016 for Rs. 1,200 was sold for Rs. 1,700.
 - (d) Shop purchased in 1984-85 (CII=125) for Rs. 30,000 was sold for Rs. 3,20,000.
 - (e) Residential house purchased in 1981-82 for Rs. 30,000 was sold on 15-04-2016 for Rs. 3,50,000.
 - (f) Debentures purchased on 1-5-2016 for Rs. 10,000 was sold for Rs. 12,000.

He purchased another residential house on 15-03-2017 for Rs. 3,50,000 during the year. Compute his taxable capital gain if CII for 2016-17 is 1,125.

12. Compute the profits and gains from business and profession from the following information for assessment year 2017-18 :

Profit and Loss Account			
Salaries	8,000	Gross profit	30,800
Advertisement	4,000	Rental income from house	18,000
Sundry expenses	4,500	Dividend from Indian company	4,000
Interest on capital	2,000	Winning from lottery	20,000
Fire insurance premium		Interest on Govt Security	2,000
(Rs. 1000 relates to house property)	3,000		
Income tax and wealth tax	7,000		
Household expenses	2,500		
Bad debt.	1,000		
Provision for bad debt.	500		
Repairs of house property	1,000		
Municipal taxes of house property	3,600		
Insurance premium of proprietor	6,000		
Donation to P.M. relief fund	2,000		
Depreciation	3,700		
	74,800		74,800

Additional information :

- (1) 25% of the carpet area of house property is used for his own residence.
 - (2) 25% of the carpet area of house property is used for his business purposes.
 - (3) 50% of the carpet area of house property is let out for residential purposes.
13. What do you mean by clubbing of income ? Explain the circumstances under which the income of an assessee is clubbed with the income of other assesseees.
14. Define capital gain. Discuss the procedure for computation of capital gains as prescribed by the income tax act 1961.