



MAM-010-001504 Seat No. _____

B. B. A. (Sem. V) (CBCS) Examination

October / November – 2016

504 : Business Taxation - I
(New Course)

Faculty Code : 010

Subject Code : 001504

Time : $2\frac{1}{2}$ Hours]

[Total Marks : 70

- Instructions :** (1) Give answers of all the questions in one answer book only.
(2) Show working as a part of your answer.
(3) Figures to the right indicate full marks of the question.

- 1 Ms. Asha a citizen of India leaves India for the first time 14 on 1-9-2005 for the job in England. She visits India for the period as mentioned below :

Previous Year	Days stayed in India
2009-10	85
2010-11	190
2011-12	180
2012-13	150
2013-14	200
2014-15	210
2015-16	195

Determine her residential status for the Assessment year 2016-17. What will be your answer if she has stayed in India for 180 days during the Previous Year 2015-16 ?

OR

1 Mr. Ankit has earned the incomes during the financial year 2015-16 as mentioned below : 14

- (1) Income from salary earned in India Rs. 6,60,000, half of which had been received in USA.
- (2) Profit from business in India. Rs. 2,00,000.
- (3) Interest on debenture of a foreign company Rs. 80,000, half of which received in India.
- (4) Interest on debenture from Indian Company received in USA, Rs. 50,000.
- (5) Income from house property situated in France, received there Rs. 1,00,000.
- (6) Profit earned from a business in London, which is controlled from India Rs. 2,50,000 out of which Rs. 1,00,000 was received in India.
- (7) Income from agriculture in South Africa received there Rs. 3,00,000.

Compute his Gross Total Income for the Assessment Year 2015-16 if he is :

- (a) Resident and ordinarily resident
- (b) Not ordinarily resident
- (c) Non-resident

2 Mr. Anand, working as Marketing Manager in a company at Ahmedabad, furnishes the following information regarding his salary income for the year ended on March 31, 2016. 14

- (1) Basic salary Rs. 80,000 p.m.
- (2) Dearness Allowance : Rs. 40,000 p.m. (50% is forming part of salary)
- (3) Entertainment Allowance : Rs. 5,000 p.m.
- (4) Children Hostel Allowance for one child : Rs. 1,000 p.m.
- (5) Transport Allowance for commuting between home and office : Rs. 2,500 p.m.
- (6) Employer has given him a rent free house in Ahmedabad (Population more than 25 lakhs) along with furniture costing Rs. 2,00,000.
- (7) He contributes to recognized provident fund Rs. 15,000 p.m. to which the company also contributes similar amount.
- (8) Interest accrued to provident fund account during the year @ 12% p.a. amounts to Rs. 96,000.

Compute his taxable salary for the Assessment year 2016-17 assuming he has paid Rs. 200 p.m. as professional tax.

OR

- 2 Mr. Ashok was serving as Finance Officer in ABC Ltd. since 14
26 years, retires on 1-12-2015, and receives Gratuity
Rs. 8,00,000 and Leave Salary Rs. 4,00,000 for his leave
balance of 370 days. He was granted 35 days leave every
year. Salary drawn by him during last 12 months was as
under :

Basic Salary : Rs. 30,000 p.m.

Dearness allowance : Rs. 20,000 p.m. (Rs. 10,000 was forming
part of salary) Compute his taxable Gratuity and taxable
Leave salary for the assessment year 2016-17, assuming he
is covered under Payment of Gratuity Act-1972.

- 3 Mr. Arun furnishes the following information regarding 14
his incomes and investments for the financial year ending
on 31-3-2016.

Income from salary (Computed) Rs. 6,50,000.

Royalty from writing a book on Hindi literature Rs. 2,00,000.

He has made following payments and investments during the
year 2015-16.

- (1) Paid life insurance premium on own life Rs. 40,000 (Sum
insured Rs. 5,00,000), on the life of his father who is
dependent on him Rs. 20,000 (sum insured Rs. 4,00,000)
- (2) Contribution to PPF Rs. 50,000
- (3) Paid installments of housing loan Rs. 1,20,000
(It includes interest Rs. 25,000)
- (4) Tuition fees for his son studying in College, Rs. 20,000
- (5) Paid medical insurance premium for own health
Rs. 10,000, for the health of his wife and dependent son
Rs. 8,000 and 9,000 respectively.
- (6) Medical treatment expenses for his father (aged 70
years) who is dependent on him, suffering from specified
diseases Rs. 80,000 Insurance company reimbursed
Rs. 20,000 for these expenses.
- (7) Investment in listed equity shares under Equity Saving
Scheme Rs. 60,000. Compute his taxable income for the
Assessment Year 2016-17.

OR

3 Mr. Avinash furnishes the following information regarding his income and payments for the year ended on 31-3-2016. 14

Income :

- (1) Income from business (net computed) Rs. 5,00,000
- (2) Long Term Capital Gain Rs. 50,000
- (3) Income from House Property Rs. 1,00,000
- (4) Share in the income of HUF Rs. 1,20,000

Investment and payment :

- (1) Interest on loan taken for higher education of his son, Rs. 50,000.
- (2) Donation to Prime Minister's National Relief Fund, Rs. 25,000
- (3) Donation to Prime Minister's Draught relief fund, Rs. 20,000.
- (4) Donation of clothes worth Rs. 50,000 to a registered trust.
- (5) Donation for renovation of a notified temple, Rs. 20,000
- (6) Donation to Civil Hospital Junagadh for family planning programme, Rs. 30,000.

Compute his taxable income and tax liability for the Assessment Year 2016-17.

4 Define 'Agricultural Income' under Income Tax Act - 1961. 14
Give ten examples of Agricultural Incomes which are exempt from income tax.

OR

4 Define 'person' and 'Assessee' under Income Tax Act - 1961. 14

5 Write short notes : (any **four**) 14

- (1) Self Assessment
- (2) Best Judgment Assessment
- (3) Permanent Account number
- (4) Belated Return
- (5) Advance payment of income tax
- (6) Powers of Income Tax Officer
- (7) Roll of Central Board of Direct Taxes
- (8) Gross Total Income.