



HCO-010-001504

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

October - 2017

504 : Business Taxation - I

(New Course)

Faculty Code : 010

Subject Code : 001504

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

[Total Marks : 70

- Instructions :** (1) Working notes shall be treated as a part of the answer.
(2) All questions carry equal marks.

- 1 Define the following terms :
- (a) Assessment Year and Previous Year
 - (b) Company and Indian Company
 - (c) Gross Total Income
 - (d) Agricultural Income.

OR

- 1 Mr. X a foreign citizen regularly visits India every year in the months of April, May and June since last 10 years inclusive of the previous year 2016-17. Determine his residential status for the A.Y. 2017-18.

Would it make any difference in his status if he visits in the months of May, June and July every year since last 10 years ?

- 2 Explain ten examples of fully exempted incomes which are not to be included in Gross Total Income of an Assessee.

OR

- 2 Explain the examples of partly exempted incomes which are to be included in Total Gross Income of an assessee but eligible for deductions.

- 3** The Gross Total Income of Mr. A for the P.Y. 2016-17 amounts to Rs. 15,20,000. This income includes royalty income of Rs. 3,20,000 calculated at a rate of 20% of gross sale price of an approved book relating to medical subject. His other financial details for the P.Y. 2016-17 were as follows :
- (1) Deposited in P.P.F. account Rs. 2,40,000
 - (2) Life Insurance Premium of Wife's Policy Rs. 20,000
 - (3) Life Insurance Premium of Self Policy Rs. 60,000
 - (4) Premium on medical policies of different persons.
 - (a) For his own health Rs. 38,000
 - (b) For the health of dependent son Rs. 5,000
 - (c) For the health of dependent father (Age 65 years) Rs. 68,000
 - (d) For the health of wife Rs. 12,000
 - (e) For the health of dependent handicapped nephew Rs. 17,000.
 - (5) Medical expenses incurred for the treatment of dependent handicapped relative and deposited under UTI's scheme for such purpose Rs. 90,000.
 - (6) Donation to National Children Fund Rs. 50,000.
 - (7) Donation to P.M's National Relief Fund Rs. 50,000.
 - (8) Donation to Government for promotion of family planning programme Rs. 40,000
 - (9) Donation to approved charitable institution Rs. 80,000
- Compute his total taxable income for the A.Y. 2017-18.

OR

- 3** Given below is the statement of income prepared by Mr. B for the A.Y. 2017-18

Particulars of Income	Amount Rs.	Amount Rs.
Gross Total Income		11,50,000
Less : Deduction u/s 80-C		
-L.I.P. of Self Rs. 70,000		
-Deposited in P.P.F. account of Spouse Rs. 20,000		
- Premium on life insurance Policy of dependent sister <u>Rs. 10,000</u>	1,00,000	

Deduction u/s 80-O			
- Medclaim Insurance of Self	Rs. 35,000		
- Medclaim policy of dependent Father who is a senior citizen	<u>Rs. 25,000</u>	60,000	
Deduction u/s 80G			
- Donation to Porbandar Zilla Shaksharta Samiti	Rs. 50,000		
- Donation to Indian Olympic Association	Rs. 50,000		
- Donation to notified temple	<u>Rs. 60,000</u>	1,60,000	3,20,000
Total Taxable Income			8,30,000

You are required to determine his correct total taxable income for the A.Y. 2017-18. Also compute the amount of tax payable by him.

- 4 Mr. Ram has computed his total salary income for the A.Y. 2017-18 as shown below :

Particulars	Amount Rs.	Amount Rs.
(1) Annual Basic Salary	6,96,000	
Less: Own contribution to R.P.F. @ 20%	1,39,200	
	5,56,800	
Less: Professional Tax deducted	2,400	5,54,400
(2) Dearness Allowance		2,08,800
(3) Bonus		60,000
(4) Employer's contribution to R.P.F.		1,04,400
(5) Value of unfurnished accommodation in a city having population of 32 lakhs		1,44,000
(6) Interest credited to R.P.F. at 12% p.a.		14,400
Less : deduction in respect of perquisite of 1.7 litre c.c. car provided by the employer and running expenses are also met by the employer.		10,86,000
The car is used for both personal and office use.		40,000
Total Taxable Salary Income		10,46,000

You are required to prepare his revised salary statement to ascertain the taxable salary income for the A.Y. 2017-18.

OR

- 4 Mr. Laxman is employed with a firm in Rajkot. He is a member of unrecognized P.F. He draws a basic salary of Rs. 20,000 p.m. and D.A. @ 30% of basic salary. He gets HRA @ 20% of his basic salary. He has to pay house rent of Rs. 3,500 p.m. He contributes 15% of salary to P.F. and the employer also contributes equal amount.

He retires on 1.11.2016 after 30 years of service. He gets Rs. 5,25,000 as accumulated balance from Provident Fund. It consists of Rs. 1,98,000 as interest on total contribution made by both the parties. He also gets gratuity of Rs. 3,51,900. His average monthly salary of the year preceding the month of retirement amounted to Rs. 18,000.

On 1.12.2016 he joins another firm at Porbandar at a salary of Rs. 35,000 p.m. He also gets commission at 5% on sales of Rs. 20,00,000 made by him. He has been provided rent free accommodation for which the firm pays an annual rent of Rs. 84,000. His contribution to RPF based on his basic salary is Rs. 31,200. The firm has also contributed equal amount.

Calculate his taxable salary for the A.Y. 2017-18.

- 5 Write about the following : (any four)
- (a) Central Board of Direct Taxes
 - (b) Income-tax officers
 - (c) Forms and time for filling income tax returns.
 - (d) Requirement of PAN for different purposes
(before 31.12.15 and after)
 - (e) Types of Assessment
 - (f) Tax Deducted at Source
 - (g) Advance payment of income tax
 - (h) Deduction u/s 80 G.