



MAP-010-001604

Seat No. _____

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

March / April - 2018

Business Taxation - II

(Old Without GST)

Faculty Code : 010

Subject Code : 001604

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

[Total Marks : 70

- Instructions :** (1) All questions in this paper are compulsory.
(2) Each question carries 14 marks.

- 1 Mr. Cheteshwar owns several house properties at Rajkot 14 from which he is living at Kalawad Road and remaining are given on rent. From the following statement of account for the year ending on March 31, 2017, calculate his taxable income from house property for A.Y. 2017-18.

Particulars	Amount Rs.	Particulars	Amount Rs.
To Municipal Taxes (Paid by Cheteshwar)		By Rent	
– Race course house	400	– Race course house	12,000
– Raiya Road house	800	– Raiya Road house	24,000
– University house	320	– University house	15,000
– Amin Marg house	240	– Amin Marg house	6,000
– Kalawad Road house	600		
To ground rent of Amin Marg house	250		
To Repairs	6,000		

To collection charges :		
– Race course house	480	
– Raiya Road house	800	
– University house	640	
–Amin Marg house	480	
To interest paid to bank loan taken for University Road house	3,000	
To interest paid to bank loan taken for Kalawad Road house	6,500	
To excess of receipts over payments	36,490	
	57,000	57,000

The municipal tax of each house is 5% of the municipal value.

OR

- 1 Following is the Profit and Loss Account of Mr. Saurav 14
for the year ending on 31-3-17.

Particulars	Amount Rs.	Particulars	Amount Rs.
To Opening Stock	1,08,000	By sales	90,63,000
To purchases	80,12,750	By closing stock	1,98,000
To salaries and wages	1,75,000	By share dividend	88,000

To rent and rates	1,31,000	
To commission	21,500	
To household expenses	1,00,000	
To income tax	36,100	
To sales tax	50,250	
To advertisement	5,000	
To postage and telegram	4,000	
To interest on capital	84,000	
To reserve for bad debts	3,400	
To depreciation on asset	18,000	
To Net Profit	6,00,000	
	93,49,000	93,49,000

Additional data :

- (1) Closing stock and opening stock have consistently been valued at 10% below cost price.
- (2) Depreciation on asset as per Income Tax provisions is Rs. 17,200.
- (3) Amount of sales includes a sum of Rs. 41,250 representing the value of goods withdrawn for personal use which costing Rs. 27,850 and its market value on the date of withdrawn was Rs. 45,240.

You are required to calculate taxable income from business for Mr. Saurav for the assessment year 2017-18.

- 2 Find out the taxable capital gain for the A.Y. 2017-18 14
from the details given below by Mr. Yuvraj.

Assets	Date of purchase	Purchase price Rs.	Sales price Rs.	Sales expenses Rs.
Land	1-1-82	25,000	6,46,100	7,500
Jewellery	1-1-86	1,33,000	11,54,400	-
Shares	1-1-91	54,600	10,87,320	9,000
Listed debentures	1-1-01	1,26,650	2,27,000	350
Unlisted debentures	1-1-02	3,03,000	4,00,000	-
Residential flat	2-11-16	29,60,000	-	-

He has purchased residential flat on 2-11-16 from the sales proceeds of all assets. Index no. of the year 2016-17 is 1125 and for 1980-81 is 100 whereas same for the year 1985-86 is 133 for 1990-91 is 182.

OR

- 2 (a) Mr. Anil is an Indian citizen and ordinary resident. 7
During the financial year 2016-17, his income of rent from subletting of house was Rs. 12,000 and his expenses for providing facilities to tenant were Rs. 1,500.
- He has also received rent of Rs. 6,000 from let-out plot at urban area. He has received overtime remuneration of Rs. 3,000 in addition of salary.
- The interest income on deposit in a foreign bank was Rs. 9,000. He has also received rent of Rs. 7,200 from a let-out house owned by him.
- Calculate his taxable income from other sources for the A.Y. 2017-18.

(b) Narrate the provisions of set-off and carry-forward of losses in brief. 7

3 Pathan & Co. is partnership firm where partners Irfan and Yusuf share profits and losses equally. Their profit and loss account for the year ending on 31-3-17 was as follows : 14

Particulars	Amount Rs.	Particulars	Amount Rs.
Cost of goods sold	8,00,000	Sales	12,00,000
Salaries	50,000	Interest on investments	8,000
Interest on loan to purchase machine	35,000	Long-term capital gain	10,000
Rent	26,000	Short-term capital gain	15,000
Commission to working partner Irfan	25,000	Winning from lotteries	9,000
Interest on loan to Yusuf non-working partner @ 20% p.a.	25,000		
Salary to Partners :			
Irfan	1,25,000		
Yusuf	30,000		
Interest on capital @ 20%			
Irfan	19,500		
Yusuf	10,500		
Reserve for Bad debts	10,000		
Sundry expenses	12,000		
Income tax	10,000		
Net profit	64,000		
	12,42,000		12,42,000

Calculate maximum remuneration payable to partners.

OR

3 From the following details of BCCI Ltd. you are required **14**
to compute total taxable income of the company for the
A.Y. 2017-18.

- (1) The Profit and Loss Account showed a net profit of
Rs. 1,25,00,000.
- (2) Rs. 10,00,000 is debited in Profit and Loss Account as
interest paid on loan taken for the expansion of factory
premises.
- (3) Rs. 7,50,000 is debited in Profit and Loss Account as
reserve bad debts.
- (4) Rs. 15,000 is debited in Profit and Loss Account
paid for late payment of penalty interest of professional
tax.
- (5) Rs. 25,000 is debited in Profit and Loss Account being
fine imposed by Municipal Corporation for violation of
construction rules.
- (6) It is also found that both the opening stock
(Rs. 45,00,000) and closing stock (Rs. 54,00,000) have
been undervalued by 10% of cost.

4 Write a short note on any two from the following : **14**

- (a) Objectives of Tax Planning
- (b) Tax Planning by individuals
- (c) Tax Avoidance and Tax Evasion

- 5** Attempt any two from the following : **14**
- (a) Explain VAT and its contents.
 - (b) Explain in brief about Central Sales Tax and its characteristics.
 - (c) Explain Service Tax and its provisions.
 - (d) Discuss any five taxable events under Service Tax.
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