



MAP-010-001611

Seat No. _____

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

March / April - 2018

604 : Business Taxation - II

(New GST)

Faculty Code : 010

Subject Code : 001611

Time : 3 Hours]

[Total Marks : 70

- Instructions :** (1) Show working as a part of your answer.
(2) Figures to the right indicate full marks of the question.

- 1 “Madhav” owns three houses. Find out taxable income of 14 house property for the A.Y. 2017-18 from the following details :

Particulars	House 1	House 2	House 3
(1) Year of Completion of construction	2013-14	2013-14	2013-14
(2) Use of House	Letout	Self occupied	Own business
(3) Municipal valuation	45,000	96,000	8,000
(4) Fair Rent	40,000	1,20,000	10,000
(5) Standard Rent	36,000	-	-
(6) Annual Rent Receivable	48,000	-	-
(7) Local taxes paid	5,000	6,000	4,000
(8) Un-realised Rent	2,000	-	-
(9) Vacancy period (months)	Two (months)	-	-
(10) Int. on loan taken for constructions :			
(a) Current year's	2,000	15,000	3,000
(b) During construction			
(Total)	15,000	25,000	-

OR

- 1 Following is the Profit and Loss Account of Business of Shri Krishna for the financial year 2016-17 : 14

Particulars	Rs.	Particulars	Rs.
To Opening Stock	52,000	By Sales	44,25,500
To Purchases	40,04,375	By Closing Stock	1,05,000
To Salaries and Wages	87,500	By Share Dividend	40,000
To Rent and Rates	65,500		
To Commission	10,750		
To Household expenses	2,50,000		
To income-tax	18,050		
To Advertisement	2,500		
To Postage and Telegram	2,000		
To Interest on capital	42,000		
To Reserve for bad debts	1,700		
To Depreciation on furniture	9,000		
To Net Profit	25,125		
	45,70,500		45,70,500

Additional Information :

- (1) Closing stock and opening stock have consistently been valued at 10% below cost price.
- (2) Depreciation on furniture, as per income-tax provision is Rs. 8,600.

- (3) Amount of sales includes a sum of Rs. 20,625, representing the value of goods withdrawn for personal use. These goods were purchased at cost of Rs. 13,925 and its market value on the date of withdrawal was Rs. 22,620.
- (4) Household expenses include a contribution of Rs. 10,000 towards public provident fund.

You are required to prepare a statement showing the taxable business income of Shri Krishna for the assessment year 2017-18.

- 2 Compute the capital gains chargeable to tax of "Amidhara" 14 from the following details for the A.Y. 2017-18.

Serial No.	Date of purchase	Index of year of purchase	Selling Price Rs.	Transfer charges Rs.	Cost of Rs.	Particulars of Assets
1	1-1-1968	100	40,71,000	23,000	3,00,000	Only self occupied houses
2	1-6-2005	497	4,45,920	-	1,59,040	Shares of Reliance Ltd.
3	1-3-1994	244	2,39,600	4,000	73,200	Shares of Arvind Ltd.
4	1-9-1985	133	33,96,100	11,000	3,99,000	Jewellery
5	1-1-2017	-	-	-	4,65,000	Residential house for Self - occupation (New)

She had sold old self-occupied house on 15-3-2017. The cost of inflation index for financial year 2016-17 is 1,125 (CIF as on 1-4-81 was 100).

On 1-4-81 the fair market values of self occupied house and jewellery were Rs. 3,00,000 and Rs. 1,80,000 respectively. Shares of both the companies (sold on 1-11-2016) were subject to Securities Transaction Tax (STT).

OR

2 From the following particulars of income of Kiran. **14**

Complete her taxable income under the head “income from other sources” for the Assessment year 2017-18.

- (1) Dividend received on preference shares of Indian Company Rs. 16,000.
- (2) Dividend received on equity shares of Indian Company Rs. 13,000.
- (3) Gross interest income on Bank Deposits Rs. 12,500.
- (4) Composite rent of factory building and machinery Rs. 35,000
- (5) Ground rent income Rs. 3,000.
- (6) Sitting fee for attending meeting of Board of Directors Rs. 30,000.
- (7) Prize won in horse race Rs. 25,000.
- (8) Rent received from sub-tenant Rs. 7,200.
- (9) Income from unexplained sources Rs. 50,000.
- (10) Interest received on Rs. 90,000, 10% tax-free debentures of X Ltd. (T.D.S. rate 10%) Rs. 9,000

(11) Interest on Rs. 50,000, 7% capital investment bonds
Rs. 3,500.

(12) Net prize money (after deducting of tax at 30%)
received on lottery won Rs. 70,000.

Kiran presented the claim to get deduction in respect of
following expenses :

(1) Interest paid on loan taken to make investment in
preference shares Rs. 6,000.

(2) Depreciation on factory building and machinery
Rs. 20,000.

(3) Interest on loan taken to make investment in debentures
of X Ltd. Rs. 2,400.

(4) Expenses (cost) of lottery ticket's bought Rs. 2,100.

- 3 “Jagruti and Co.” is a partnership firm consisting of two 14
partners Kiran and Shivangi. The following profit and loss
account was submitted by the firm for the year ending
31-3-2017.

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
Cost of goods sold	6,00,000	Sales	9,80,000
Office salaries	40,000	Interest on investment	6,000
Interest on loan for purchase of machinery at 15%	25,000	Long-term capital gains	8,000
Office Rent	22,000	Short-term capital gains	10,000
Commission to working partner Kiran	20,000	Winning from lotteries	60,000

Interest on loan to Shivangi @ 20% p.a. who is a non-working partner	20,000	
Salary to working partner Kiran	2,10,000	
Salary to non-working partner Shivangi	26,000	
Interest on capital 20%		
Kiran	15,000	
Shivangi	10,000	
Reserve for bad debts	6,000	
Misc. Expenses	10,000	
Income tax paid	8,000	
Net Profit	52,000	
	10,64,000	10,64,000

Compute the book profit for the purpose of partners remuneration. Also calculate the maximum remuneration payable to partners.

OR

- 3 (a) "Raviraj" Ltd. has furnished the following details in respect to its financial position. 10

Previous year	Total income under Income Tax Act	Book Profit u/s 115 JB
2014-15	Rs. 6,00,000	Rs. 40,00,000
2015-16	Rs. 14,00,000	Rs. 20,00,000
2016-17	Rs. 20,00,000	Rs. 16,00,000

Determine the amount of Minimum Alternate Tax (MAT) credit availed by Raviraj Ltd. for the Assessment Year 2017-18.

- (b) Carry forward and set-off of "Tax Credit" u/s 115 JAA. 4

4 Distinguish Tax evasion, Tax Avoidance and Tax Management. 14

OR

4 What is Tax Planning ? Which are the objectives of tax planning ? 14

5 Write short notes : (any two) 14

- (1) Concept of input tax credit and supply
 - (2) GST Registration
 - (3) GST network and GST service providers
 - (4) Types of GST and rates of GST.
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