



PI-010-001611

Seat No. _____

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

July - 2018

Business Taxation - II
(New GST)

Faculty Code : 010

Subject Code : 001611

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 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 : 14

Particulars	Amt. Rs.	Particulars	Amt. 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		

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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 31-3-2017 :

Particulars	Amt. Rs.	Particulars	Amt. 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- (3) Amount of sales includes a sum of Rs. 41,250 representing the value of goods withdrawn for personal use which costing Rs. 27,850 and its market value on the date of withdrawn was Rs. 45,240.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 2-11-2016 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 and 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 7
of losses in brief.

- 3 Pathan & Co. is partnership firm where partners Irfan 14
and Yusuf share profits and losses equally. Their profit and loss account for the year ending on 31-3-2017 was as follows :

Particulars	Amt. Rs.	Particulars	Amt. 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
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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 to compute total taxable income of the company for the A.Y. 2017-18 : **14**
- (1) The Profit & Loss Account showed a net profit of Rs. 1,25,00,000
 - (2) Rs. 10,00,000 is debited in Profit & Loss Account as interest paid on loan taken for the expansion of factory premises.
 - (3) Rs. 7,50,000 is debited in Profit & Loss Account as reserve bad debts.
 - (4) Rs. 15,000 is debited in Profit & Loss Account paid for late payment of penalty interest of professional tax.
 - (5) Rs. 25,000 is debited in Profit & 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) Benefits of GST
 - (b) Concept of Input Tax Credit and Supply
 - (c) GST Registration
 - (d) GST council and GST service providers