



RS-161100010504 Seat No. _____

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

March - 2019

Direct Taxes

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

[Total Marks : 70

- 1 From the following information, find out the residential status of Mr. JAY for the Assessment Year 2018-19 : 14

Date of arrival in India	Date of departure from India
20-04-2013	01-07-2014
01-01-2015	16-5-2016
12-01-2017	13-3-2018

OR

- 1 Following are the incomes of Dharmishtha during the P. Y. 2017-18 : 14

- (1) Profit earned in earlier year at London and brought back in India Rs. 50,000.
- (2) Pension paid by former Indian employer in U.S.A. Rs. 4,50,000.
- (3) Interest on Bank F.D. Rs. 1,00,000. (out of which Rs. 40,000 is received from foreign banks.)
- (4) Profit from business in Singapore (the business is controlled Head Office situated at Delhi Rs. 10,20,000.

Determine the Total Gross Income under following circumstances :

- (i) If she is resident and ordinarily resident in India.
- (ii) If she is resident but not ordinarily resident in India.
- (iii) If she is non- resident in India.

- 2 Mr. Hiren is a manager employed by Krish LTD. at Rajkot. The details of his salary and others received during the previous year 2017-18 are as under : 14

- (1) Basic salary Rs. 2,10,000.

- (2) Dearness allowance (treated as a part of salary for retirement benefits) Rs. 29,000 p.a.
- (3) Commission on sales Rs. 1,75,000.
- (4) House rent allowance Rs. 60,000 p.a. (actual rent paid Rs. 4,000 p.m.)
- (5) Transport allowance Rs. 18,000 p.a.
- (6) Tour (Travel) allowance Rs. 1,200 each for 5 trips. (actual amount spent on each trip Rs. 1000)
- (7) Tour daily allowance Rs. 250 per day for 60 days in the year (actual amount spent Rs. 9,600 in total).
- (8) Uniform allowance Rs. 900 p.m. (for purchase and maintenance), actual amount spent for that purpose at an average rate Rs. 750 p.m.
- (9) Research assistance allowance Rs. 600 p.m. (spent Rs. 9,000 during the year)
- (10) Children education allowance Rs. 9,000 (for 2 children)
- (11) Entertainment allowance Rs. 6,000 p.a.

Compute his taxable salary for the assessment year 2018-19.

OR

2 Mr. Maharathi joined a company 1-4-2015 as an accountant in the salary scale of Rs. 18,000-1,000-30,000. Annual increment becomes due on 1st April. He is a specified employee. He provides the following details for the year ending 31st March 2018. **14**

- (1) D.A. @ 40% of basic salary.
- (2) Contribution to recognized provident fund by both @ 12% of salary.
- (3) City Compensatory Allowance @ Rs. 2,000 p.m.
- (4) Interest @ 12% p.a. rate credited to RPF A/c Rs. 2,400.
- (5) House rent allowance Rs. 1,000 p.m.
- (6) Entertainment Allowance Rs. 200 p.m.
- (7) Tour and Traveling Allowance Rs. 6,000 (of which Rs. 2,000 is saved).
- (8) The company has provided 1.8 C.C. car partly for private use and partly for office use. All its expenses are met by the employee.

- (9) Free education is provided to two children in a school run by the company. Average monthly cost of such education in a similar school is Rs. 1,000 per child.
- (10) The company pays Rs. 6,000 for gas-water facilities for his personal use.
- (11) Leave encashment amount received in cash Rs. 6,000.
- (12) Free lunch is provided on 200 working days (Cost per lunch is Rs. 100).
- (13) The company pays Rs. 600 p.m. for telephone facility.
- (14) He has paid professional tax of Rs. 2,400 and house rent of Rs. 36,000.

Compute his taxable salary for the Assessment Year 2018-19.

- 3 Shri Mehul Joshi of Palanpur a well-known advocate is 14 maintaining his accounts on cash basis. He furnishes the following information for the year ended 31st March 2018 :

Receipts	Rs.	Payments	Rs.
To Balance B/d	1,12,000	By Purchase of	
Professional Fees :		office equipments	2,40,000
2015-16	5,000	Motor Car	
2016-17	10,000	expenses	90,000
2017-18	10,50,000	Office expenses	2,62,000
Gifts from		Staff salaries	4,51,000
clients	50,000	Income tax paid	47,000
Loan from		Interest on loan	11,000
clients	1,05,000	Refund of loan	1,50,000
		Contribution to	
		provident fund	61,500
		Balance C/f	19,500
	13,32,000		13,32,000

Additional Information :

- (1) Allowable depreciation on Motor-car is Rs. 30,000.
- (2) 20% of Motor-car expense is for personal use.
- (3) Outstanding fees amount to Rs. 60,000.
- (4) Calculate 10% depreciation on office equipments.

Compute taxable income of Mehul Joshi under the head of Profits and Gains of Business or Profession for the Assessment Year 2018-19.

OR

- 3** Write short notes on : **14**
 (1) Exempted Incomes
 (2) Recovery of bad debts previously allow/not allow.
- 4** From the following details of house properties owned **14**
 by Mr. NEELMADHAV, determine the taxable income under the head income from house property for the A.Y. 2018-19.

Particulars (House)	KRISH	JAY	NISHARG
Use of house	S.O	S.O	Let-Out
Annual value as per Municipal valuation	48,000	36,000	60,000
Monthly fair Rent	3,500	2,000	5,500
Annual Standard Rent	42,000	30,000	72,000
Actual rent received monthly	–	–	6,000
Vacancy period	–	–	1 month
Municipal Tax Paid	9,000	4,000	1,200
Housing Loan Interest	42,000	25,000	40,000
Year of completion of construction	2013-14	2014-15	2015-16

OR

- 4** Explain the term "Annual Value" and classify the properties to determine it. **14**
- 5** Write detail note on the types of Income Tax Authorities. **14**

OR

- 5** Write short notes on : (Any **Two**) **14**
 (1) Slab system
 (2) Assessment year and Previous year
 (3) Casual income
 (4) Agriculture income.