



JC-010-001611

Seat No. _____

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

August - 2019

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 From the following details of House Property of Pradeep Kumar, calculate his taxable income of A.Y. 2018-19 under the head "Income from House Property" :

(a) Let out House :

- (1) Annual value as per municipal valuation records Rs. 90,000 (20% of which is paid as municipal taxes). Annual fair rent Rs. 1,32,000, value as per Rent control Act is Rs. 1,20,000 and actual annual rent Rs. 1,44,000.
- (2) The house remained vacant for five months during the previous year and one month's rent is irrecoverable.
- (3) Interest on loan taken for construction Rs. 40,000.

(b) Self-residential House :

- (1) Interest on loan taken for construction Rs. 60,000
(1/5th to be capitalised)
- (2) Interest on loan taken for repairs Rs. 15,000.
- (3) Interest on additional loan taken for additional
construction Rs. 92,000.

OR

1 Following is the P & L A/c. of business of Shyam Babu for the financial year 2017-18 :

Particulars	Amt. Rs.	Particulars	Amt. Rs.
To opening stock	52,000	By sales	45,25,500
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 exp.	50,000		
To income tax	18,050		
To advertisement	2,500		
To postage and telegram	2,000		
To interest on capital	42,000		
To BDR	1,700		
To depreciation	9,000		
To net profit	3,25,125		
	46,70,500		46,70,500

Additional information :

- (1) Closing and Opening stocks have consistently been valued at 10% below cost price.
- (2) Depreciation as per income tax provisions is Rs. 8,600.
- (3) Sales include goods sold of Rs. 50,000 representing goods withdrawn for personal use fetching 20% profit on sales.

- 2 Find out the taxable capital gain for the A.Y. 2018-19 from the details given below by Mr. Naseer :

Assets	Date of purchase	Purchase price Rs.	Sales price Rs.	Sales expenses Rs.	Relevant index numbers
Land	1-1-03	4,00,000	12,98,200	15,000	105
Jewellery	1-1-06	2,66,000	23,08,800	-	117
Shares Listed	1-1-11	1,09,200	21,74,640	18,000	167
debentures	1-1-03	2,53,300	4,54,000	700	-
Unlisted debentures	1-1-02	6,06,000	8,00,000	-	-
Residential flat	2-11-17	59,20,000	-	-	-

He has purchased residential flat on 2-11-'17 from the sales proceeds of all assets. Index no. of the year 2017-18 is 272.

OR

- 2 (a) From the following information of Shri Hemraj, compute his taxable income under the head of "Income from other sources" for the assessment year 2018-19 : 10
- (1) Dividend received on equity shares Rs. 3,000
 - (2) Dividend received on preference shares Rs. 16,000
 - (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. 6,000
 - (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. 89,800, 10% tax-free debentures of X Ltd. TDS @ 10.20% Rs. 8,980
 - (11) Interest on Rs. 50,000 7% capital investment bonds Rs. 3,500
 - (12) Net prize money (after deduction of tax @ 30.60%) received on lottery won Rs. 34,700.

He has paid the following expenses during the year :

- (a) Interest paid on loan taken to make investment in preference shares Rs. 6,000
- (b) Depreciation on factory building and machinery Rs. 20,000
- (c) Interest on loan taken to make investment in debentures of X Ltd. Rs. 2,400
- (d) Expenses (i.e. Cost) of lottery tickets bought Rs. 2,100

- (b) Narrate the provisions of set-off and carry-forward of losses in detail with examples. 4

- 3 Kumar & Co. is a partnership firm where partners Ratan Kumar and Kankaj Kumar share profits and losses equally. Their profit and loss account for the year ending on 31-3-18 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	
Interest on loan to		investments	8,000
purchase machine	35,000	Long-term	
Rent	26,000	capital gain	10,000

Commission to working partner Ratan Kumar	25,000	Short-term capital gain	15,000
Interest on loan to Kankaj Kumar non- working partner @ 20% p.a.	25,000	Winning from lotteries	9,000
Salary to partners :			
Ratan	1,25,000		
Kankaj	30,000		
Interest on capital @ 20%:			
Ratan	19,500		
Kankaj	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** Explain any two from the following in context of Assessment of Companies :
- Domestic Company and Foreign Company
 - Relief against Double Taxation
 - Minimum Alternate Tax (MAT)
 - Fringe Benefit Tax (FBT)

4 Explain Tax Planning and Tax Avoidance in detail and discuss the difference between them in detail.

OR

4 Explain Tax Avoidance and Tax Evasion in detail and discuss the difference between them in detail.

5 Attempt any two from the following:

- (a) Benefits of GST
- (b) Concept of Input Tax Credit and Supply
- (c) GST Registration
- (d) GST council and GST service providers.