



BCJ-010-001504

Seat No. _____

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

August - 2021

Business Taxation - I

(Old Course)

Faculty Code : 010

Subject Code : 001504

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 Answer the following : (any two)

- (a) Explain 'person' with examples.
- (b) Write a short note on Step and Slab method of calculating tax.
- (c) Define Assessment Year and Previous Year with examples.
- (d) Write a detailed note on conditions for Residential status of an assessee.

OR

1 Mickey has regularly visited India during last 11 years (including 2018-19) in months of October, November and December. Determine his residential status of AY 2019-20. What will be difference in your answer if he had visited India in months of September, October and November.

2 State any seven exempted income in detail.

OR

2 Explain :

- (a) Agricultural Income
- (b) Incomes of Non-resident and Foreign citizens.

3 Explain deductions available under Section 80u and 80c.

OR

3 Explain deductions available under section 80 ccc and 80G.

4 Write a note on the following :

- (a) Income Tax Officer
- (b) Central Board of Direct Taxes.

OR

4 Write a note on the following :

- (a) Powers of Income Tax Officers.
- (b) Settlement Commission.

5 Mr. Tom is working as a manager of a private company. The details regarding the previous year ending on 31st March, 2019 are as under:

- (1) Basic pay per month Rs. 20,000
- (2) D.A. at 40% of salary out of which 33 1/3% is considered for retirement benefits.
- (3) Bonus is equal to one month's basic pay.
- (4) Commission on sales Rs. 65,400.
- (5) Total Educational and Hostel allowance per month (for three children, one child studying at hostel) Rs. 3,000
- (6) Travelling allowance Rs. 1,000 per month out of which 25% is spent.
- (7) City compensatory allowance Rs. 800 per month.

He has been provided a free unfurnished house by the company. Calculate value of residential accommodation for A.Y. 2019-20 for each of following cases :

- (a) If the house is in Gondal (Population is less than 10 lakhs)
- (b) If the house is in Rajkot (Population is 22 lakhs)
- (c) If the house is in Ahmedabad (Population is 40 lakhs)
- (d) If the house is not owned by the company and company has to pay monthly rent of Rs. 7,000.

OR

- 5 From the details of salary income of Mr. Jerry, the manager of a company, for financial year 2018-19, compute his taxable salary for A.Y. 2019-20 :

He joined this company on 1-1-2013, in the grade of Rs. 12,000 – 750 – 18,000 – 1,500 – 30,000.

- (1) The company revises during the year Dearness Allowance in the months of January and July.

D.A. rates are as follows :

2018 :

For first 6 months – 24% of basic salary

For next 6 months – 28% of basic salary

2019 :

For first 6 months – 34% of basic salary

For next 6 months – 38% of basic salary

- (2) The company pays bonus at 12% of basic salary.
- (3) The company has provided him a motor car of 1600 cc for his personal and official work including driver and company pays maintenance expenses.
- (4) The company contributes 14% of basic salary in his Recognized Provident Fund while Mr. Jerry has paid 15% of basic salary.
- (5) Interest credited to Recognized Provident Fund is Rs. 37,500 at the rate of 12.50%.
- (6) The company has provided a residential house for which the company has to pay rent of Rs. 9,000 p.m. The company has also provided furniture of Rs. 2,40,000 in the house.
- (7) The company has paid the following on his behalf (the company has appointed all these servants) :
- (a) Salary of house servant Rs. 18,000
- (b) Salary of Gardener Rs. 6,000
- (c) Salary of sweeper Rs. 3,600
- (d) Salary of watchman Rs. 24,000
- (8) The company has paid Rs. 30,000 as annual membership fees of a club.

Calculate Taxable Salary from given information considering he has paid Rs. 2,400 as professional tax.