



BBM-010-001604

Seat No. _____

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

July - 2021

Business Taxation - II

(Old without GST)

Faculty Code : 010

Subject Code : 001604

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 Find out taxable income from house properties owned **14**
by Shri Vallabh for the A.Y. 2021-22 :

Particulars	House Numbers			
	1	2	3	4
Municipal Valuation (Rs.)	11,200	14,400	14,400	13,200
Expected fair rent (Rs.)	11,600	14,800	16,800	11,600
Standard rent (Rs.)	11,360	14,000	14,000	11,960
Monthly rent if given on rent (Rs.)	1,120	1,120	1,120	1,120
Vacancy period (in months)	1/2	1	2	3
Un-realised rent (Rs.)	1,120	3,360	800	5,600
Interest on loan taken for construction (Rs.)	2,500	3,500	2,500	1,500
Municipal taxes (out of which half is paid by tenant)	5%	7%	5%	10%

OR

1 Following is the Profit and Loss Account of Mr. Mohan 14
for the year ending on 31-3-'20 :

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To opening stock	2,16,000	By sales	1,81,26,000
To purchases	1,60,25,500	By closing stock	3,96,000
To salaries and wages	3,50,000	By share dividend	1,76,000
To rent and rates	2,62,000		
To commission	43,000		
To household expenses	2,00,000		
To income tax	72,200		
To sales tax	1,00,500		
To advertisement	10,000		
To postage and telegram	8,000		
To interest on capital	1,68,000		
To reserve for bad debts	6,800		
To depreciation on assets	36,000		
To net profit	12,00,000		
	1,86,98,000		1,86,98,000

Additional data :

- (1) Depreciation on assets as per Income Tax provisions is Rs. 34,400.
- (2) Amount of sales includes a sum of Rs. 82,500 representing the value of goods withdrawn for personal use which costing Rs. 55,700 and its market value on the date of withdrawn was Rs. 90,480.

You are required to calculate taxable income from business for Mr. Mohan for the Assessment Year 2021-22.

- 2 Find out the taxable capital gain for the A.Y. 2021-22 14
from the details given below Mr. Gopal :

Assets	Date of purchase	Purchase price (Rs.)	Sales price (Rs.)	Index Numbers	Market value as on 1-4-2001 (Rs.)
Land	1-1-82	25,000	6,46,100	–	2,00,000
Jewellery	1-1-86	1,33,000	11,54,400	–	3,50,000
Shares	1-1-91	54,600	10,87,320	–	
Listed debentures	1-1-01	1,26,650	2,27,000	–	
Unlisted debentures	1-1-02	3,03,000	4,00,000	100	
Residential flat	2-11-20	29,60,000	–	301	

He has purchased residential flat on 2-11-'2020 from the sales proceeds of all assets.

OR

- 2 (A) Mr. Jawahar is an Indian citizen and ordinary 7
resident. During the financial year 2020-21, 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.2021-22.
- (B) Narrate the provisions of set-off and carry-forward 7
of losses in brief.

- 3 Swadeshis and Co. is partnership firm where partners 14
Lal and Bal share profits and losses equally. Their profit and loss account for the year ending on 31-3-20 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 Lal	25,000	Winning from lotteries	9,000
Interest on loan to Bal non-working partner @ 15% p.a.	25,000		

Salary to partners :		
Lal	1,25,000	
Bal	30,000	
Interest on capital @ 10%:		
Lal	19,500	
Bal	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 Indian Ltd., you are required to compute total taxable income of the company for the A.Y. 2021-22 : **14**
- (1) The Profit and Loss Account showed a net profit of Rs. 1,25,00,000.
 - (2) Rs. 10,00,000 is debited in Profit and Loss Account as interest paid on loan taken for the expansion of factory premises.
 - (3) Rs. 7,50,000 is debited in Profit and Loss Account as reserve bad debts.
 - (4) Rs. 15,000 is debited in Profit and Loss Account paid for late payment of penalty interest of professional tax.
 - (5) Rs. 25,000 is debited in Profit and 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 short notes on any **two** from the following : **14**
- (a) Difference between Tax Planning and Tax Avoidance with examples.
 - (b) Tax Planning by individuals with examples.
 - (c) Explain meaning of Tax Avoidance and Tax Evasion and differentiate them.
- 5** Attempt any **two** from the following : **14**
- (a) Explain VAT and its contents.
 - (b) Explain in brief about Central Sales Tax and its characteristics.
 - (c) Explain Service Tax and its provisions.