



DBM-19BBA504

Seat No. _____

B. B. A. (Sem. V) (CBCS-2019) Examination

June – 2022

Direct Taxes

(New Course)

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

[Total Marks : 70

Instructions :

- (1) All the questions carry equal marks.
- (2) Show all the working notes as a part of the answer.

1 Write short notes on the following : (any three) **17.5**

- (1) Previous Year and Assessment Year
- (2) Income
- (3) Methods of calculating Tax
- (4) AOP and BOI.

2 From the following information, determine the residential status of Rahul for the previous year 2020-21 : **17.5**

<i>Date of Arrival in India</i>	<i>Date of Departure from India</i>
20-04-2017	1-7-2017
01-01-2018	30-9-2020

3 Shivam is a specified employee. Determine his taxable salary income for the previous year 2020-21 from the information given below : **17.5**

Rs.

- (1) Basic Salary 6,00,000
- (2) Dearness Allowance 2,00,000
- (3) Entertainment Allowance 80,000
- (4) Medical Allowance 20,000

- (5) Educational Allowance for three children..... 6,000
- (6) Hostel Allowance for one child..... 6,000
- (7) Employer's contribution in provident fund (based on basic salary) 92,000
- (8) Interest credited @ 15% in provident fund 75,000
- (9) Commission at the rate of 6% on sales 60,000
- (10) Medical expenses paid by the employer 44,000
- (11) Personal electric bill paid by the employer 16,000
- (12) Bonus 60,000
- (13) The employer has provided him rent free house in Ahmedabad. Its annual fair rent is Rs. 1,44,000. The employer has also provided furniture of Rs. 4,00,000. The employer has also appointed a gardener and a watchman. They are paid annual salary of Rs. 15,000 each by the employer.
- (14) The employer has also provided him a chauffer driver car (engine's capacity is 1600 cc) for his official as well as personal purpose. All its expenses are met by the employer Rs. 1,000 p.m. is deducted from his salary in regard to this facility.
- (15) His contribution to provident fund is Rs. 72,000. He has paid Rs. 25,000 for his life insurance premium and also deposited Rs. 80,000 in Public Provident Fund.
- The employer has deducted Rs. 2,400 from his salary for professional tax.

4 Shri Viral is a Managing Director of a Mumbai based company. From the following details of P.Y. 2020-21, you are required to calculate his taxable salary for A.Y. 2021-22 : **17.5**

- (1) Basic Salary Rs. 50,000 per month, which increased to Rs. 75,000 per month from 1-12-2020.
- (2) Dearness Allowance – 20% of Basic Salary (considered for retirement benefits)
- (3) Commission Rs. 2,500 per month.
- (4) Bonus Rs. 20,000.

- (5) Helper Allowance Rs. 24,000 (fully spent)
- (6) City Compensatory Allowance Rs. 20,000
- (7) House Rent Allowance Rs. 1,68,000 (annual). Actual rent paid Rs. 14,000 per month.
- (8) Salary of domestic servants paid by the company Rs. 28,800.
- (9) Amount paid by the company for free supply of gas and electricity for the personal use of Shri Viral Rs. 12,500.
- (10) The company has provided him, a car (1400 cc) with driver for office and personal use. All the expenses of maintenance are borne by Shri Viral.
- (11) Contribution to Recognized Provident Fund by the company and by Shri Viral is Rs. 1,26,000 and Rs. 84,000 respectively.
- (12) Interest credited to Provident Fund A/c. at 10.5% is Rs. 46,200.
- (13) Professional tax paid by Shri Viral Rs. 200 per month.

5 Adinath owns three houses, the details of which are as under : 17.5

<i>Particulars</i>	<i>House-1</i>	<i>House-2</i>	<i>House-3</i>
(1) Municipal Valuation	1,20,000	80,000	81,000
(2) Fair Rent	90,000	84,000	90,000
(3) Rent Receivable per month	9,000	6,400	-----
(4) Municipal taxes paid	12,000	2,000	8,000
(5) Standard Rent	1,14,000	-----	-----
(6) Interest on Construction Loan	60,000	30,000	40,000
(7) Capitalized Interest on Loan	60,000	30,000	20,000
(8) Outstanding Rent	9,000	-----	-----
(9) Nature of Use	Let out for residence	Let out for residence	Self residential
(10) Year of construction completion	2018-19	2016-17	2016-17

Calculate taxable income from house property of Adinath for the A.Y. 2021.22.

- 6 From the following details of let out house properties owned by Shri Avinash, calculate his taxable income from house property for the A.Y. 2021-22 : 17.5

<i>Particulars</i>	<i>Amar Rs.</i>	<i>Akbar Rs.</i>	<i>Anthony Rs.</i>
Municipal Value	1,00,000	1,50,000	2,00,000
Fair Rent	1,40,000	1,80,000	2,52,000
Standard Rent	1,20,000	2,00,000	-----
Actual rent per month	12,000	17,500	21,000
Vacancy period	-----	1 months	6 months
Municipal taxes paid during the year	20,000	80,000	30,000
Interest on Construction Loan	6,800	8,750	7,200

- 7 Profit and Loss Account of Gopi for the year ended on 31-3-2021 is as under : 17.5

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
To Insurance	20,000	Gross Profit	3,50,000
To Interest on Loan	30,000	By Sundry	
To Interest on Capital	24,000	Incomes	16,000
To Salary	60,000	By Dividend	
To Rent and Taxes	20,000	on shares	10,000
To Motor Expenses	18,000		
To Legal Expenses	4,000		
To Travelling Exp.	1,00,000		
Net Profit	1,00,000		
	3,76,000		3,76,000

Additional Information :

- (1) Insurance includes Rs. 4,000 paid for life insurance policy.

- (2) The written down value of motor car as on 1-4-2020 was Rs. 2,00,000. The rate of depreciation is 15%. 1/3rd use of motor is for personal purpose.
- (3) On 1-4-2020, Rs. 42,000 were paid for advertisement. The benefit of such amount will be derived for three years.
- (4) On 1-1-2021, a machinery of Rs. 6,88,000 was purchased, for which Rs. 12,000 were paid as travelling expenses (included in travelling expenses recorded above). 20% depreciation is allowed on machinery.
- (5) Bad debts of Rs. 10,000 are approved by assessment officer for the P.Y. & 2020-21, which are not recorded in the above Profit and Loss Account.

Find out the taxable income from business for the A.Y. 2021-22.

- 8 From the following information of Dr. Narayan for the year ended on 31-3-2021, calculate his taxable income from profession : 17.5

<i>Incomes</i>	<i>Rs.</i>	<i>Expenses</i>	<i>Rs.</i>
Rent of Operation Theatre	1,20,000	Hospital Rent	1,54,000
Consultation Fees	10,12,000	Hospital Expenses	3,25,000
Gifts received from patients	20,000	Life Insurance Premium	3,000
Gifts received from relatives	3,500	Investment in PPF	30,000
Sales of Medicines	1,20,000	Fire Insurance Premium :	
Sales of Surgical Equipments	10,000	Hospital	10,000
Bank Interest	3,700	Residence	5,000
		Municipal Taxes :	
		Hospital	5,000
		Residence	3,000
		Drawings	30,000
		Purchase of Medicines	1,10,000
		Purchase of Surgical Equipments on 1-1-2021	4,75,000
		Vehicle Expenses (personal)	20,000

Additional Information :

- (1) Opening balance of surgical equipments was Rs. 75,000.
Rate of depreciation is 25%.
 - (2) Opening stock of medicines was Rs. 35,000 and closing
stock was Rs. 45,000.
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