



Seat No. _____

HAN-161100010504

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

June - 2023

Direct Taxes

(Old Course)

Time : $2\frac{1}{2}$ Hours / Total Marks : 70

Instructions :

- (1) All the questions are compulsory.
- (2) Show working notes and calculations as a part of your answer.

1 Write notes : (any four) 14

- (a) Income
- (b) Assessee
- (c) Person
- (d) Agriculture Income
- (e) Total income
- (f) Gross Total Income
- (g) Previous year and Assessment Year

OR

1 Determine the residential status of Kuldeep Patel 14
(a foreign citizen) for the Assessment Year 2022-23 from the details given below :

<i>Previous Year</i>	<i>Days stayed in India</i>
2016 - 17	80
2017 - 18	120
2018 - 19	150
2019 - 20	100
2020 - 21	70
2021 - 22	70

- 2 Explain in brief any seven fully exempted and partly exempted incomes from the tax. 14

OR

- 2 Write notes : 14
 (a) Income-tax officer
 (b) Commissioner of Income tax.
- 3 Following is the information related to receipts and payments of Dr. Dave for the year ended on 31-3-2022 : 14

<i>Receipts</i>	<i>Rs.</i>	<i>Payments</i>	<i>Rs.</i>
Visit Fees	19,20,000	Rent of Dispensary	8,64,000
Consultation Fee	18,00,000	Staff Salary	10,80,000
Sales of Medicines	3,60,000	Rent of Consulting Room	2,88,000
Rent income of operation theatre	9,60,000	Electricity	1,80,000
Dividend	1,68,000	Medical Journal	60,000
Interest on treasury saving certificate	60,000	Purchase of surgical Instruments	2,40,000
Gift from patients	4,00,000	Diwali expenses	1,20,000
Instruments	1,12,000	Purchase of Medicines	2,40,000
		Motorcar Exp.	4,32,000
		Audit Fees	24,000
		Association Fees	7,200

Additional Information :

- (1) Half of the use of motor-car is for personal use.
- (2) Admissible depreciation on car is Rs. 96,000.
- (3) Opening and closing stock of medicine were Rs. 1,28,000 and Rs. 48,000 respectively.
- (4) Depreciation on surgical instruments is @ 20% opening balance (W.D.V.) of surgical instruments was Rs. 1,92,000.
- (5) Rs. 80,000 of gift received from patients has not been recorded in the books.

From the above information, prepare statement showing taxable income from profession of Dr. Dave for the Assessment Year 2022-23.

OR

- 3 Following is the Profit and Loss Account of Mr. Yogesh for 14
the year ended on 31st March, 2022 :

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
To Salary	20,32,000	By Gross Profit	57,76,000
To Bad-debt reserve	20,000	By Bad-debt	
To General reserve	12,000	recovered	1,20,000
To Bad-debt	16,000	By House Rent	40,000
To Sales Exp.	20,000	By Share dividend	1,04,000
To Interest on Loan	24,000	By Interest on	
To Interest on Capital	28,000	Govt. Security	20,000
To Income tax	40,000		
To office Exp.	1,88,000		
To Depreciation			
on Computer	80,000		
To Net Profit	36,00,000		
	60,60,000		60,60,000

Additional Information :

- (1) 40% of the bad-debt recovered relates to the bad-debts not allowed as business expense in past years.
- (2) Interest on loan is outstanding Rs. 16,000 which is not recorded in profit and loss account.
- (3) Un-recorded business income is Rs. 5,00,000
- (4) Written Down Value of motor-car as on 1-4-2021 was Rs. 3,20,000 which was sold on 20-01-2022 for Rs. 3,20,000 and new motor-car was purchased on 1-1-2022 for Rs. 12,00,000. Admissible depreciation on motor-car is 20%.
- (5) Salary includes Rs. 48,000 paid to wife of Mr. Yogesh. She does not render any service to the business.

Calculate taxable income from business and profession for the assesment year 2022-23.

4 Gaurav is the director employee of a Mumbai based company and he furnishes the following information for the Assessment Year 2022-23 : 14

- (1) Basic pay Rs. 30,000 p.m. which was increased to Rs. 36,000 with effect from 01-07-2021.
- (2) Dearness Allowance calculated at 50% of basic pay.
- (3) Other allowances :
 - * Education Allowance Rs. 800 p.m. (for 2 children)
 - * Hostel allowance Rs. 2,000 p.m. (For 1 child staying in hostel)
 - * Entertainment Allowance Rs. 1,600 p.m.
- (4) A motor-car (engine's cubic capacity 1.4 lts) is also provided to him which is used for both the purposes. All its expenses are borne by the employee.
- (5) He has been provided a residential flat, for which the company is paying rent of Rs. 24,000 p.m. The company has provided household appliances costing Rs. 6,00,000 and further company has hired the furniture for which the company is paying monthly rent of Rs. 10,000.
- (6) He retired on 31-12-2021 after completing 34 years and 9 months of service. On retirement the company has paid him the following :

Gratuity	Rs. 11,20,000
Leave encashment.....	Rs. 3,00,000
Refund of Recognized P F Balance	Rs. 8,59,472
- (7) The following deductions were made from his salary
 - (a) Recovery of Loan Rs. 48,000 (taken from construction of his house)
 - (b) Professional tax Rs. 1,800
 - (c) Income-tax Rs. 32,000
 - (d) P.F. Contribution (15% of basic salary)

(e) L.I.C. premium Rs. 19,200

(f) Token rent for accommodation provided Rs. 3,000 p.m.

On 1-2-2022 he joined another company at Rajkot at a consolidated salary of Rs. 60,000 p.m. professional tax deducted Rs. 400.

Compute his taxable salary income of the Assessment Year 2022-23.

OR

4 Ms. Sheetal Parekh is a specified employee in Rajkot. **14**

Calculate her taxable income of salary from the following particulars for the previous year 2021-22 :

- (1) Basic Salary per month Rs. 1,60,000
- (2) Dearness Allowance 50% of basic salary
- (3) Bonus (Annual) Rs. 1,20,000
- (4) Transport Allowance Rs. 7,200 pm
- (5) City Compensatory Allowance Rs. 4,000 p.m.
- (6) Education Allowance for three children (annual) Rs. 30,000
- (7) She contributes 14% to Recognized Provident Fund. Her employer contributes to R.P.F. at the same rate.
- (8) Interest credited to R.P.F. account at 12% Rs. 80,640
- (9) She has been provided a house in Rajkot by her employer with the furniture costing Rs. 12,00,000.

The population of Rajkot city is less than 25 lakhs. The company deducts Rs. 4,000 p.m. from her salary for the said facility.

- (10) The employer has provided a motor car of 1800 cc. The motor car is used for personal as well as office purposes. The maintenance and driver's salary expenses are paid by the company.

- (11) Ms. Sheetal Parekh has made the following payments during the previous year.

Professional Tax (annual) Rs. 2,400
Investment in P.P.F. Rs. 1,00,000
LIC premium Rs. 40,000
Repayment of Housing Loan
(excluding Interest) Rs. 40,000

- 5 Shri Rameshbhai Joshi is the owner of three houses. On the basis of the following informations, compute his taxable income under the head 'Income from House Property' for the assessment year 2022-23 :

14

<i>Particulars</i>	<i>House-1 Rs.</i>	<i>House-2 Rs.</i>	<i>House-3 Rs.</i>
(1) Use of House	Let out for Residence	Let out for Business	For self occupied -
(2) Municipal valuation (annual)	72,000	1,80,000	2,40,000
(3) Fair Rent	80,000	1,68,000	-----
(4) Rent receivable (annual)	72,000	1,44,000	-----
(5) Standard Rent (annual)	84,000	----	2,80,000
(6) Municipal taxes (paid)	4,000	8,000	8,000
(7) Interest on Loan for Construction	20,000	-----	70,000
(8) Capitalized Int. of pre-construction period (total)	20,000	----	80,000
(9) Vacancy Period	1 month	---	---
(10) Unrealized Rent	8,000	-----	-----
(11) Land Revenue	7,200	9,600	4,800
(12) Construction completed on	31-1-18	30-6-21	31-3-06

OR

- 5 Shri Rohitbhai Sharma is the owner of three houses. On the basis of the following information, compute his taxable incomes under the head 'Income from House Property' for the year 2022-23 : 14

<i>Particulars</i>	<i>House-1 Rs.</i>	<i>House-2 Rs.</i>	<i>House-3 Rs.</i>
(1) Use of the house	Self occupied	Self occupied	Let out
(2) Annual value as per municipal assessment	96,000	72,000	1,20,000
(3) Monthly Fair Rent	7,000	4,000	11,000
(4) Standard Rent	84,000	60,000	1,44,000
(5) Actual monthly rent	----	----	12,000
(6) Vacancy period	----	----	1 month
(7) Municipal tax paid	18,000	8,000	24,000
(8) Housing Loan interest	84,000	50,000	80,000
(9) Year of completion of construction	2017-18	2018-19	2019-20