



Seat No. _____

HAM-19BBA504
B. B. A. (Sem.-V) Examination
June - 2023
Direct Taxes

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

- 1 Mr. Sanjay provides you the following information regarding his presence in India during last few years, find out his residential status for the A.Y. 2022-23: 20

Financial Year	Period of stay
2021-22	3 rd April to 11 th July
2020-21	22 nd June to 11 th July
2019-20	10 th February to 26 th March
2018-19	7 th September to 26 th March
2017-18	17 th May to 30 th September
2016-17	3 rd April to 11 th July
2015-16	3 rd April to 11 th July
2014-15	3 rd April to 11 th July
2013-14	3 rd April to 11 th July

OR

- 1 (A) Answer the following: 14
- (a) Explain "Person" with examples in context of Income Tax Act, 1961.
 - (b) Explain Assessment Year and Previous Year with examples.
 - (c) Methods for assessing tax with example.
 - (d) Conditions for Resident and Ordinarily resident.

- (e) Explain Assessee and Assessment.
- (f) Explain Income and surcharge.
- (g) Classify the the following in context of definition of person:
 - a. Ramesh Private Ltd.
 - b. Rajkot Chamber of Commerce
 - c. Saurashtra University
 - d. Junagadh Municipality

(b) From the following information regarding income of Mr. Vijay, find out his total gross income for different residential status: 6

- Interest received from development bonds Rs. 54,000.
- Interest received from the property Rs. 1,23,000.
- Income received from the business in Japan which is controlled from Mumbai Rs.75,000. (Out of which Rs. 45,000 received in India.)
- Interest received on fixed deposit with Indian company but from outside India Rs. 64,000.
- Profit received from the business in India but managed from outside India Rs. 50,000.

2 Mr. Ratan is working as a manager of a private company. The details regarding the previous year ending on 31st March, 2022 are as under: 20

- (1) Basic pay per month Rs. 20,000.
- (2) D. A. at 40% of salary out of which $33\frac{1}{3}\%$ 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 rent-free unfurnished house by the company. Calculate value of residential accommodation for A.Y.2022-23 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.7000.

OR

- 2** From the details of salary income of Mr. Jeet, the manager of a company, for financial year 2019-20, compute his taxable salary for A.Y. 2022-23: **20**

He joined this company on 1-1-2016, 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:

2021: For first 6 months - 24% of basic salary

For next 6 months - 28% of basic salary

2022: 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. Jeet has paid 15% of basic salary.
- (5) Interest credited to Recognized Provident Fund is Rs. 37500 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.2400 as professional tax.

- 3** Mr. Hemraj has let out $\frac{1}{3}$ rd portion of his house property for residence on a monthly rent of Rs.10000; $\frac{1}{3}$ rd portion is being used for his own business and the remaining is self-occupied for residential purpose. **15**
- The gross annual value as per the municipal records is Rs.240000 on which municipal taxes paid amounted to 20%. Interest on loan is Rs.105000 for entire house. Calculate his total taxable income from house property for A.Y. 2022-23.

OR

- 3 Mr. Naseer is resident individual of India. He owns a house in Delhi from where he receives rent of Rs.1,30,000 per month and he has paid Rs. 97,500 as municipal taxes. He also owned a two storied house in Mumbai of which ground floor is used for self-residence and first floor is let out at a monthly rent of Rs. 10,000. Standard rent for each floor is Rs.11,000 per month. Municipal taxes paid for the house amounted to Rs.7,500. This house was constructed by taking loan from bank for which he paid interest of Rs.24,000. Compute his total taxable income from house properties for A.Y. 2022-23. 15

- 4 Shyam Babu's Profit and Loss account for the year ended on 31-3-2022 is as under: 15

Particulars	Amt. Rs.	Particulars	Amt. Rs.
To income tax	15,000	By gross profit	7,32,000
To professional tax	2,000	By bad-debt recovered	10,000
To dividend collection exp.	1,000	By income tax refund	3,000
To exp. of let out house	5,000	By professional tax refund	1,000
To charity	8,000	By house rent	80,000
To discount	5,000	By dividend	12,000
To subscription	2,000	By director fees	44,000
To legal fees	3,000		
To workers' salary	5,12,000		
To workers' training exp.	5,000		
To drawings	12,000		
To depreciation	78,000		
To travelling exp.	27,000		
To interest	5,000		
To group insurance premium	2,000		
To net profit	2,00,000		
	8,82,000		8,82,000

Additional information:

- (1) Travelling exp. included Rs.21,000 of personal travelling exp.
- (2) Interest includes Rs.3,000 interest on capital.
- (3) Allowable depreciation is Rs.75,000.
- (4) Advertisement exp. paid Rs.2,000 is not recorded in books.

Find out his taxable income from Business for AY 2022-23.

OR

- 4 Dr. Virendra Singh owns a surgical hospital at Rajkot. He gives **15** you following information pertaining to the financial year 2021-22. Compute his taxable income from profession for A.Y. 2022-23:

No.	Details	Amt. Rs.
1	<u>Receipts at the hospital:</u>	
	Consultation charges	3,40,000
	Operation charges	4,70,000
	Hospital's other income	55,000
	Net surplus in supply of drugs	8,000
	Gifts from patients	12,000
2	<u>Payment during the year:</u>	
	Income tax and wealth tax	1,22,000
	Hospital expenses	5,50,000
	Personal expenses	15,000
	Car maintenance ($\frac{1}{4}$ th is allowed)	60,000
	Purchase of instruments	60,000
	Paid to public provident fund	54,000
	L.I.C. premium	42,000
	Allowable depreciation charges	9,000
	Travelling expenses	45,000
	Refunds of bank loan (Rs.20,000 + interest)	22,800

3 **Hospital expenses include the following:**

Salary to his son (M.B.B.S.) 15,000 p.m.

Salary to his daughter in law (B.Com.) 7,000 p.m.

4 **Travelling expenses include the following :**

Family pilgrimage..... 10,400

Business promotional tour expenses 35,000
