

0403

B.B.A. IVth SEMESTER EXAMINATION, 2019

Paper – III

Taxation Part - I

Time: Three Hours

Maximum Marks: 80

PART – A (खण्ड – अ)

[Marks: 20]

Answer all questions (50 words each).

All questions carry equal marks.

सभी प्रश्न अनिवार्य हैं। प्रत्येक प्रश्न का उत्तर 50 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – B (खण्ड – ब)

[Marks: 40]

Answer five questions (250 words each),

selecting one from each unit. All questions carry equal marks.

प्रत्येक इकाई से एक-एक प्रश्न चुनते हुए, कुल पाँच प्रश्न कीजिए।

प्रत्येक प्रश्न का उत्तर 250 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – C (खण्ड – स)

[Marks: 20]

Answer any two questions (300 words each).

All questions carry equal marks.

कोई दो प्रश्न कीजिए। प्रत्येक प्रश्न का उत्तर 300 शब्दों से अधिक न हो।

सभी प्रश्नों के अंक समान हैं।

PART – A

Q.1 Answer all question -

- (a) Explain the following terms –
 - (i) Previous Year
 - (ii) Assessee
 - (iii) Income
- (b) What do you mean by Residence of Assesses?
- (c) Name any two facilities which are exempted in the computation of income under the head 'Salaries'.
- (d) What is meant by perquisites?
- (e) Define Deemed Owners.
- (f) Explain Bond Washing Transactions.
- (g) What is the difference between income from business and income from speculation?
- (h) There was a loss of ₹ 50,000 due to theft in the shop in night. Is it allowed as expenses?
- (i) What do you mean by capital asset?
- (j) Write four transactions which are not considered as transfer.

PART – B

UNIT – I

Q.2 What is Income? Explain the fundamental principles of determining income.

OR

Whether the following are income? Give your answer in Yes or No –

- (a) Ramesh received ₹ 10,000 in cash from his grandfather as gift.
- (b) Received ₹ 5000 from the winning of Rajasthan state lottery.
- (c) Vivek borrowed ₹ 10,000 from Sanjay on which the interest due was ₹1500. In the previous year Vivek paid ₹ 2,500 to Sanjay.
- (d) The employer deposited in the provident fund of Rajiv in the previous year ₹ 4000.

UNIT – II

Q.3 What are the incomes that are chargeable to Income Tax under the head “Salaries”? Discuss.

OR

Compute the basic salary of Mr. Rakesh for the previous year 2018 – 19 from the following information –

- (a) He was appointed in a private limited company on 1st August, 2011 in the grade of ₹ 2,000 – 200 – 4000 – 250 – 8000 on an initial salary of ₹. 3200.
- (b) During the previous year 2017 – 18 he received advance salary of April and May, 2018 as on 31st March, 2018.
- (c) During the previous year 2018 – 19 his employer sanctioned a loan of ₹ 10,000 and 5 months’ salary (from April, 2019 to August, 2019) in advance to purchase a scooter.

UNIT – III

Q.4 Pavan constructed a house in the year 2011 and since then he has let out this house at a rent of ₹ 3660 p. m. Tenant vacated this house on 16. 3.18 and after two and half months it was let out to Sumit at same rent. Municipal value of house is ₹ 40,000 and standard rent of house is ₹ 45,000. Find annual value of this house for assessment year 2018-19.

OR

Explain the different kinds of incomes taxable under the head 'Income from other sources'.

UNIT – IV

Q.5 Specify the expenses which are expressly allowed in computing taxable profits from business.

OR

From the following information of Dr. Vijay Sharma for the previous year 2018 – 19, find his taxable income from the head 'Income from Business and Profession' for the A.Y. 2019 – 20.

(a) He was a sole distributor of Cipla Company during previous year 2018 – 19. This agreement was cancelled and the company paid him ₹ 1,00,000 as compensation for the same. Dr. Vijay treats it as a capital receipt and thinks it is not a taxable income.

- (b) Dr. Vijay runs a hospital in partnership firm. This firm paid him ₹ 20,000 as salary and ₹ 10,000 as share of profits. He is doing private practice also from which he earned ₹ 50,000.
- (c) He is fond of purchasing gold and likes cricket. During Previous year 2018 – 19 he earned ₹ 30,000 in the gold speculation and ₹ 10,000 in the cricket speculation. This time he was also engaged in the speculation of shares of Cipla Co. and he lost ₹ 20,000 in it.

UNIT –V

Q.6 Ram and Rahim are partners in a firm. On 1st Jan., 2018 Mohan joins the firm and brings the following assets as his capital contribution in the firm-

	Shares in a Company	Jewellery
Fair market value on 1.1.2018	₹ 32,8000	₹ 1,25,000
Amount recorded in the Books	₹ 4,00,000	₹ 1,03,000
Actual cost	₹ 60,000	₹ 92,000
Year of acquisition	1992 – 93	2016 – 17

₹ 5,03,000 is credited in the capital account of Shri Mohan in the firm. Compute taxable capital gains of Shri Mohan for the assessment year 2018 – 19.

OR

What do you mean by capital gains? How are capital gains computed?

PART – C

Q.7 How is residential status of an assessee determined for Income Tax purposes? Explain the relationship between residence and tax liability.

Q.8 Kamal Kant is employed at Mumbai as an Accounts officer in a sugar mill. The particulars of his salary for the P.Y. 2018 – 19 are as under –

(a) Basic Salary 5,500 p.m.

(b) Dearness Allowance 2,500 p.m.

[Forming part of the basic salary]

(c) Commission @ 3% on sales for the year 9000 p.a. (the sales evenly spread over)

(d) House Rent Allowance 3000 p.m.

(e) Actual rent paid : up to December 2018 2000 p.m.

: from 1.1.2019 4000 p.m.

Compute the taxable amount of HRA assuming that he resides in a village near to Chennai.

Q.9 Determine the annual value of the house in the following cases –

Expected rent ₹ 1,00,000

House let – out @ ₹ 10,000 p.m.

House tax paid by owner ₹ 9,000 (10% of municipal value)

House remains vacant for (a) 1 month

(b) 3 months

Q.10 Explain the provisions of the Income – tax Act pertaining to the deduction of following expenses –

- (i) Expenses on Scientific Research
- (ii) Deduction in respect of Preliminary expenses
- (iii) Bad debts
- (iv) Expenditure on acquiring technical know – how.

Q.11 Differentiate between short – term and long – term capital gains. Which capital gains are exempted from tax?
