

Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics, Margao-Goa

SY BBA(FS), Semester III (REGULAR) Semester End Assessment November 2022

Course Code and Title: BFS CC 10- DIRECT TAXES

Duration: 2 Hrs.

Maximum Marks: 60

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q. 1 is compulsory.
- 4) Answer any four from Q.2 to Q.6.

Q.1. Write short note on ANY FIVE of the following:

(05*04=20 Marks)

- a) Agricultural Income u/s 10(1)
- b) Gratuity u/s 10(10)
- c) House Rent Allowance u/s 10 (13A)
- d) Capital Asset u/s 2(14)
- e) Deductions applicable for computing Total Income
- f) Compensation received at the time of voluntary retirement Sec.10 (10C)

Q.2. Mr. Shah furnishes the information of his income for previous year. Compute the income under the head 'Income from Other Sources'.

(10 Marks)

Particulars	Amount (Rs.)
Interest on FD with SBI	77000
Rent from house in Bangalore (taxed under 'Income from House Property')	20000 p.m.
Dividend from Maruti Suzuki Ltd (u/s 10(34))	6000
Income from letting on hire Plant and Machinery	24000 p.m.
Dividend from Sri cooperative society	4800
Cash worth was found in his private locker. The source not be explained by him	90000
Winning from KBC-T.V. Show (net)	70000
Royalty from book written (expenses incurred for this purpose Rs.4000)	40000
Family pension from Govt. of Karnataka annually	48000
Winning from lottery (net) (purchase of lottery Rs 150)	Rs 140000

- Q.3. The following is the Profit and Loss Account of the Raj Oil Mills for the F.Y.2021-22. Compute its business income on the basis of additional information. (10 Marks)

Profit and Loss Account (For the year ended 31st March, 2022)

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Office Salaries	15000	Gross Profits	80000
General Expenses	7000	Profit on Sale of car	15000
Bad Debts	1000	Recovery of bad debts	5000
Advertising Expenses	3700	Interest on Govt. Securities	3500
Insurance Premium (fire)	1500	Dividends	3500
Depreciation	5000	Gifts on the occasion of House warming	5000
Reserve for bad debts	3000		
Donation to a school	2500		
Car Expenses	2000		
Net Profit	71300		
Total	112000	Total	112000

Additional information:

- a) General expenses include:
 - (i) Rs 2,500 as compensation paid to an accountant who had to be removed from service in the interest of business, and
 - (ii) Rs 3,300 as contribution paid to the Govt. for laying electric cables for the company's plant.
- b) Depreciation as regards to the relevant blocks of assets (allowed) under the Income Tax Act was Rs 3,500.
- c) Car expenses include Rs 500 attributable to use of car for personal work.

- Q.4. The Following are the particulars of Mr. Priyan who is employed in Chennai. Compute his Income from Salary (10 Marks)

Particulars	Amount (Rs.)
Basic Salary	130000
Dearness Allowance	20000
Education Allowance (for three children)	6000
Rent paid for residential house in Chennai	60000
House Rent allowance	48000
Money received to meet Motor Car expenses	2400 p.m.
Medical expenses paid by his employer	25000
Professional Tax paid	2500
LIC premium paid by the employer	6000
Allowance	1000 p.m.

Q.5a. Mr. Rajesh owns house property which is let-out. Compute his income from the following details. **(05 Marks)**

- a) Municipal Valuation: Rs.90000, Fair Rent: Rs.110000, Standard Rent fixed by the court: Rs. 100000
- b) The house was let out w.e.f.1-4-21 for Rs.10000 p.m. which was vacated by the tenant on 30-09-21. Since then it remained vacant for two months. From 1-12-21, it was let out for a rent of Rs. 12000 p.m.
- c) Municipal Taxes paid: 20%
- d) Interest on borrowed money Rs. 30000

Q.5b. Mr. Karan furnishes the following income earned during the P.Y. 2021-22. Compute his Gross total income for the A.Y. 2022-23. If he is a) Resident b) Not ordinary resident and c) Non-Resident **(05 Marks)**

- a) Profits from business in Chennai Rs. 50,000
- b) Income from agriculture in Ceylon Rs.1,90,000
- c) Income from property in Maxico received there Rs.2,00,000
- d) Income from agriculture in Punjab Rs. 20,000
- e) Rent from house property in Mysore received in Mandya Rs. 20,000

Q.6. Determine residential status of the below mentioned Assessee **(10 Marks)**

Mr. Manila, a citizen of India went to England on 2-10-2015 for higher studies for a period of two years. After she came back, she was employed in MNC in India. The company sent her for 6 month training in Germany on 1-3-2018. She was transferred to the company's Head Office in New York for 15-08-2019. However, she left India on 02-10-2019 and reported for duty on 05-10-2019. She visited India during the months of November and December 2020. The Company transferred her back to her original post in India and she returned to India on 26-01-2022.
