

VVM's Shree Damodar College of Commerce & Economics
Semester IV, End Semester Examination, April 2017
DIRECT TAXES

DURATION: 2 HRS

MAX MARKS: 60

INSTRUCTIONS: 1) Answer ANY FIVE

2) Figures indicate to right Marks Allotted

Q.1

a) Deepa furnishes the following information about her stay in India

<u>A.Y.</u>	<u>DAYS</u>	<u>A.Y.</u>	<u>DAYS</u>	<u>A.Y.</u>	<u>DAYS</u>
2005-06	30 days	2009-10	75 days	2013-14	72 days
2006-07	60 days	2010-11	45 days	2014-15	32 days
2007-08	60 days	2011-12	70 days	2015-16	112 days
2008-09	155 days	2012-13	168 days	2016-17	73 days

Determine her Residential status for the Assessment Year 2016-17.

(06)

b) Sania & Co. , a partnership firm engaged in the Cloth Business has gross receipts amounting to R. 98,00,000 from such business. The partnership deed provides for Payment of Interest and Remuneration to Partners. The firm uses the machinery for its business and the WDV of Machinery is R. 6,00,000. The machinery is available for depreciation @15%.

Compute the profits from the business , if the Firm opts for the Scheme under section 44 AD.

(06)

Q.2

a) Bhupati Ltd furnishes the following information of its Machineries for the Previous Year 2010-2011.

W.D.V. as on 1st April,2015 R. 66,46,890/-. on 01st May,2015 new Machinery amounting to R. 14,63,000/- was purchased. To add to the existing machinery new purchase on 28th March, 2016 was effected which amounted to R. 12,63,800 /-. Part of the Machinery costing R 4,22,000/- was sold for R 3,75,000/-.

Admissible Rate of Depreciation on Machinery is 15%.

Compute the admissible depreciation for A.Y. 2016-17.

(06)

b) Mrs. Anju , covered by the Payment of Gratuity Act,1972 retires during 2015-16 from SR Private Ltd, and receives Rs. 45,000/- as gratuity after a service of 40 years 11 months. Her average monthly salary during the last 10 months of service was Rs. 2200/- . Determine the taxable gratuity in her case.

(3)

Mr. Vikas, an employee of C Ltd. receives Rs. 80000 as leave salary at the time of his retirement on 28.01.2016. Average salary drawn during last 10 months Rs. 3000. Duration of service is 24 years and 7 months, leave taken while in service is 9 months. Leave entitlement as per employer's rules is 1.5 months for each completed year of service.

Calculate the taxable leave salary for A.Y. 2016-17.

(3)

(06)

Q.3.

a) Mr. Leander provides the Following details of his Income for the P.Y. 2015-16

Basic Salary: R. 7,22,000/- P.a.

Dearness Allowance: R 16,000/- p.m.

Transport Allowance: R. 1,200 p.m.

Hostel Allowance: R. 400 p.m. per child for Two children

Children Educational Allowance : R. 800 P.m. for Two children.

He also owns a Self Occupied House property in Bangalore.

The Details are as follows:

Municipal Valuation: R 12,00,000/-

Fair Rent : R 12,85,000/-

Standard Rent : R 13,00,000/-

Following expenses were incurred by him in respect of the House Property:

Property Taxes : R 12,650/-

Repairs : R 45,600/-

Insurance Paid : R 17,290/-

He pays R 2,22,500 /- as interest on housing loan availed by him of R 22,50,000/- .

LIC Premium : R 63,000/-

Provident Fund : R 1,02,500 /-

Housing Loan Principal Repayment : R 32,750/-

Compute Total Income and Tax Thereon for the A.Y. 2016-17. (12)

Q.4

Mr. Jogendar is a Doctor practicing in Delhi. The following is the Receipts and Payments for the Year Ending 31-03-2016.

RECEIPTS		AMOUNT	PAYMENTS		AMOUNT
To	Professional Income	14,63,000.00	By	Salaries	2,63,000.00
To	House Rent for 8 months	96,000.00	By	Rent Paid	1,78,000.00
	Share of Income from				
To	Firm	2,78,200.00	By	Telephone Expenses	12,480.00
To	Agricultural Income	63,480.00	By	Professional Fees Paid	25,500.00
To	Maturity of LIC Policy	3,25,000.00	By	Vehicle Expenses	63,420.00
			By	Office Expenses	18,980.00
			By	Purchase of Car	5,22,500.00
			By	Purchase of Laptop	63,500.00
			By	Personal Expenses	23,480.00
			By	Income Tax Paid	62,000.00
			By	Donations	6,000.00
			By	Car Insurance	16,920.00
			By	<u>House Property Expenses:</u>	
				Municipal Taxes	5,000.00
				Repairs	12,400.00
				Insurance	3,600.00
			By	Balance C/d.	9,67,880.00
		22,25,680.00			22,25,680.00

ADDITIONAL INFORMATION:

1. Allowable depreciation of Car is 15% and on laptop is 60% .
2. Municipal Value of house property is R 72,000. The house was self occupied as her residence for 4 months.
3. Mr. Jogendar incurred expenditure amounting to R 22,620/- towards mediclaim paid by him of his spouse an children.

Compute her taxable Income for the year.

(12)

Q-5

Ms. Sania provides her Profit & Loss Account for the year ended 31 st March, 2012.

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Purchases	15,86,00.00	By Sales	28,36,200.00
To Salaries	72,000.00	By Dividend	22,450.00
To Printing & Stationery	3,650.00	By Bank Interest	12,680.00
To Telephone Expenses	17,800.00	By Share from Firm	85,600.00
To Professional Fees Paid	25,000.00		
To Vehicle Expenses	73,650.00		
To Office Expenses	22,100.00		
To Purchase of laptop	68,000.00		
To Personal Drawings	33,00000		
To Income Tax Paid	46,000.00		
To Donations	7,500.00		
To LIC Premium	21,280.00		
To Net Profit	9,80,950.00		
	29,56,930.00		29,56,930.00

ADDITIONAL INFORMATION:

1. Allowable depreciation of Computer is 60%.
2. 2/3rd of travelling expenses are for Personal use.
3. Ms. Sania spends yearly amount of r 63,000/- on her treatment as she is physically handicapped. The medical certificate certifies that she is 40% disable.

Compute his taxable Income for the year. (12)

Q-6

Write Short Notes on:

(12)

- i) Transfer
- ii) Assessee
- iii) Long Term Capital Asset

Q-7

- 1) Define Capital Asset ? (06)
- 2) Note the Provisions in relation to House Rent Allowance under Section 10(13A)? (06)
