

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**S .Y. BBA(FS), Semester IV, Semester End Assessment, APRIL 2018**

**DIRECT TAX**

**Timing: 3 Hours**

**Max.Marks:60**

**Instructions:**

- *Figures to the right indicate maximum marks*
- *Start each new question on a fresh page*
- *Answer **any five** questions.*

**Q.1 A)** Mithali furnishes the information about her period of stay in India during 2006-07 to 2017-18 which is as follows:

<u>A.Y.</u>	<u>DAYS</u>	<u>A.Y.</u>	<u>DAYS</u>	<u>A.Y.</u>	<u>DAYS</u>
2006-07	63 days	2010-11	98 days	2014-15	108 days
2007-08	48 days	2011-12	85 days	2015-16	78 days
2008-09	90 days	2012-13	60 days	2016-17	52 days
2009-10	128 days	2013-14	70 days	2017-18	120 days

Determine her residential status for the assessment year 2017-18? (06)

**B)** Mr. Shyam engaged in the Business of retail trade of goods and Merchandise has gross receipts amounting to Rs. 37,42,000 from such business. He incurs Expenses as follows: Purchases: Rs. 22,70,200, Salaries: Rs. 72,500, Indirect Expenses: Rs. 4,42,500. The computer system is used for its business and the WDV of computer is Rs. 1,42,550. The computer is available for depreciation @60%.

Compute the profits from the business, if Mr. Shyam opts for the Scheme under section 44 AD. (06)

**Q.2 A)**

Jhulan Ltd furnishes the following information of its Machineries for the Previous Year 2016-17.

W.D.V. as on 1<sup>st</sup> April, 2016 Rs. 37,72,700. on 21<sup>st</sup> June, 2016 new Machinery amounting to Rs. 17,42,000 was purchased. To add to the existing machinery new purchase on 30<sup>th</sup> March, 2017 was effected which amounted to Rs. 9,52,000. Part of the Machinery costing Rs. 9,42,000 was sold for Rs. 7,00,000.

Admissible Rate of Depreciation on Machinery is 15%.

Compute the admissible depreciation for A.Y. 2017-2018. (06)

**Q. 2.B)**

- a) Mr. Rahul is not covered by Payment of Gratuity Act, retires on 28th Feb, 2015 after serving the employer company for a period of 18 years and 10 months. He was drawing a salary of Rs. 5000 up to Sep 2015 and thereafter Rs. 6000 p.m. On retirement he is not in receipt of pension but gratuity of Rs. 60000 is paid. Compute taxable salary in his case for the AY 2017-18. (3)
- b) Mr. Ritesh staying at Bangalore receives Rs. 12,500 monthly as basic salary Rs. 1500 as D.A provided in terms of employment and 4% as commission on turnover achieved by him. He is paid a house rent allowance of Rs. 1800 p.m. The turnover achieved by him for the year is Rs. 15 lakhs. House rent paid by him is Rs.2500 p.m. (3)

Determine the taxable quantum of house rent allowance.

**Q.3. A)** Mr. Rahim provides the Following details of his Income for the P.Y. 2016-17.

Basic Salary : Rs. 4,80,000/- P.a.  
Dearness Allowance: Rs. 10,000/- p.m.  
Transport Allowance: Rs. 500 p.m.  
Hostel Allowance : Rs. 300 p.m. per child for Three children  
Children Educational Allowance: Rs. 450 P.m. for Three children.

He also owns a House property in Margao, Which is Let out from 01<sup>st</sup> April , 2015.

**The Details are as follows:**

Municipal Valuation: Rs. 1,70,000  
Fair Rent : Rs. 1,00,000  
Standard Rent : Rs. 1,75,000  
Actual Rent Received is Rs 18,000/- p.m.

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

Repairs : Rs. 45,000  
Insurance Charges: Rs. 22,770  
Municipal Taxes : Rs. 5,000 ✓

He has been paying Housing Loan on Loan amount of Rs. 8,00,000 on which interest @ 13% is paid.

LIC Premium Paid : Rs. 20,000  
Investment in Provident Fund : Rs. 15,000 ✗  
Housing Loan Principal Repayment : Rs. 7,880

Compute Total Income and Tax Thereon for the A.Y. 2017-2018.

(12)

**Q. 4)** Ms. Ellina is an Actor by Profession. The following is the analysis of her Receipts and Payments for the Year Ending 31-03-2017.

RECEIPTS		AMOUNT	PAYMENTS		AMOUNT
To	Professional Income	12,40,000.00	By	Salaries to Secretary	4,22,000.00
"	House Rent for 11 months	58,000.00	"	Office Rent	1,75,000.00
"	Share of Income from Firm	7,77,850.00	"	Telephone Expenses	25,590.00
"	Agricultural Income	1,47,400.00	"	Professional Fees Paid	1,22,850.00
			"	Vehicle Expenses	47,780.00
			"	Office Expenses	23,560.00
			"	Purchase of Car	7,75,000.00
			"	Personal Expenses	57,740.00
			"	Income Tax Paid	80,000.00
			"	Donations	5,000.00
			"	Insurance	16,250.00
			"	<u>House Property Expenses:</u>	
				Municipal Taxes	7,000.00
				Repairs	3,500.00
				Insurance	2,600.00
			"	Balance C/d.	4,59,380.00
		2,223,250.00			2,223,250.00

**ADDITIONAL INFORMATION:**

1. Allowable depreciation of Car is 15%.
2. Municipal Value of house property is Rs. 36,000. The house was self occupied as her residence for 1 month.
3. Ms. Ellina incurred expenditure amounting to Rs. 75,000 towards medical treatment of her dependant brother. He was suffering Severe disability.

Compute her taxable Income for the year.

(12)



Q-5)

Mr. Wasim provides his Profit & Loss Account for the year ended 31<sup>st</sup> March, 2017.

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Purchases	1,066,500.00	By Sales	1,472,500.00
" Salaries	72,500.00	" Dividend	16,000.00
" Printing & Stationery	1,268.00	" Bank Interest	12,750.00
" Telephone Expenses	9,980.00	" Share from Firm	136,000.00
" Professional Fees Paid	12,500.00		
" Vehicle Expenses	16,780.00		
" Office Expenses	22,500.00		
" Purchase of Furniture ✓	70,000.00		
" Drawings ✓	36,500.00		
" Income Tax Paid ✓	12,800.00		
" Donations ✓	750.00		
" LIC Premium ✓	0.00		
" Net Profit	315,172.00		
	1,637,250.00		1,637,250.00

**ADDITIONAL INFORMATION:**

1. Allowable depreciation of Furniture is 10%.
2. Half of Vehicle expenses are for Personal use.
3. Mr. Wasim was permanently disabled from Birth incurred. He was suffering 55% disability.

Compute her taxable Income for the year.

(12)

**Q-6 Write Short Notes on the following:**

(12)

- i) Transfer
- ii) Long Term Capital Asset
- iii) Resident and Not an ordinary Resident

**Q-7) Answer the following:**

(2\*6=12)

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

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