

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao- Goa
SY BBA(FS) – Semester IV, Semester End Assessment, April 2019

BFS C401 DIRECT TAXES

Duration: 3 Hours

Max.Marks: 60

Instructions:

- *Figures to the right indicate maximum marks*
- *Answer any Five Questions*
- *Start each new question on a fresh page*

Q.1 A) Katrina 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>
2007-08	30 days	2011-12	75 days	2015-16	62 days
2008-09	80 days	2012-13	42 days	2016-17	128 days
2009-10	70 days	2013-14	70 days	2017-18	65 days
2010-11	168 days	2014-15	180 days	2018-19	110 days

Determine her Residential status for the Assessment Year 2018-19.

(06)

- B)** Karan , a Architect by Profession ha gross receipts amounting to Rs. 39,00,000 from his Professional Work . the Machinery used for its business has WDV of Rs. 2,00,000. The machinery is available for depreciation @15%.
The Salary Cost is Rs. 12,65,000 , Office Expenses Rs.72,500 , Other Expenses Rs.16,800.
Compute the profits from Profession, if Karan opts for the Scheme under section 44 ADA.

(06)

Q.2 A) Dharma Ltd furnishes the following information of its Machineries for the Previous Year 2017-18.

W.D.V. as on 1st April,2017 Rs. 62865,000. on 21st August,2017 new Machinery amounting to Rs. 22,50,000 was purchased. To add to the existing machinery new purchase on 20th March, 2018 was effected which amounted to Rs. 17,63,000 . Part of the Machinery costing Rs. 12,42,500 was sold for Rs. 2,50,000.

Admissible Rate of Depreciation on Machinery is 15%.

Compute the admissible depreciation for A.Y. 2018-19.

(06)

Q. 2.B) Attempt the following: -

Mrs. Kapoor , covered by the Payment of Gratuity Act,1972 retires during 2017-18 from RK Productions Ltd, and receives Rs. 85,000/- as gratuity after a service of 39 years 10 months. Her average monthly salary during the last 10 months of service was Rs. 12,200/- .

Determine the taxable gratuity in her case.

(03)

Mr. John, an employee of PVR Ltd, receives Rs. 1,20,000 as leave salary at the time of his retirement on 31-12-2017. Average salary drawn during last 10 months Rs. 7000. Duration of service is 26 years and 4 months, leave taken while in service is 10 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. 2018-19.

(03)

Q.3. A) Mr. Ranveer provides the Following details of his Income for the P.Y. 2017-18.

Basic Salary: Rs. 18,60,000/- P.a.

Dearness Allowance: Rs. 21,000/- p.m.

Transport Allowance: Rs. 700 p.m.

Hostel Allowance: Rs. 250 p.m. per child for Three children

Children Educational Allowance : Rs. 200 P.m. for Three children.

He also owns a Self Occupied House property in Arossim.

The Details are as follows:

Municipal Valuation: Rs. 12,22,000

Fair Rent : Rs. 13,00,000

Standard Rent : Rs. 10,25,000

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

Repairs : Rs. 32,000

Insurance Charges: Rs. 16,780

Municipal Taxes : Rs. 4,800

He had obtained a Housing Loan amounting to Rs. 22,75,000 on which he regularly pays interest @ 11%.

LIC Premium Paid by Mr. Surendra: Rs. 42,580

Investment in Provident Fund : Rs. 1,20,000

Housing Loan Pricipal Repayment : Rs. 22,890

Compute Total Income and Tax Thereon for the A.Y. 2018-19.

(12)

Q. 4) Ms. Smriti is a Actor by Profession. The following is the analysis of her Receipts and Payments for the Year Ending 31-03-2018.

RECEIPTS		AMOUNT(Rs.)	PAYMENTS		AMOUNT(Rs.)
To	Professional Income	42,60,000.00	By	Salaries to Secretary	2,60,330.00
"	House Rent for 11 months	1,72,000.00	"	Office Rent	1,22,500.00
"	Share of Income from Firm	2,05,680.00	"	Telephone Expenses	25,590.00
"	Agricultural Income	3,22,500.00	"	Professional Fees Paid	75,500.00
			"	Vehicle Expenses	1,42,500.00
			"	Office Expenses	17,750.00
			"	Purchase of Car	8,55,000.00
			"	Personal Expenses	46,880.00
			"	Income Tax Paid	1,60,000.00
			"	Donations	25,000.00
			"	Insurance	23,280.00
			"	<u>House Property Expenses:</u>	
				Municipal Taxes	7,000.00
				Repairs	9,500.00
				Insurance	7,800.00
			"	Surplus C/d.	31,81,550.00
		49,60,180.00			49,60,180.00

ADDITIONAL INFORMATION:

1. Allowable depreciation of Car is 15%.
2. Municipal Value of house property is Rs. 48,000. The house was self occupied as her residence for 2 month.
3. Ms. Smriti incurred expenditure amounting to Rs. 80,000 towards medical treatment of her dependant brother. He was suffering Severe disability. Compute her taxable Income for the year.

(12)

Q.5) Mr. Suresh provides his Profit & Loss Account for the year ended 31 st March, 2018.

PARTICULARS	AMOUNT(Rs.)	PARTICULARS	AMOUNT(Rs.)
To Purchases	5,265,240.00	By Sales	9,642,500.00
" Salaries	126,500.00	" Dividend	17,880.00
" Printing & Stationery	4,250.00	" Bank Interest	16,250.00
" Telephone Expenses	17,880.00	" Share from Firm	335,280.00
" Professional Fees Paid	17,500.00		
" Vehicle Expenses	32,640.00		
" Office Expenses	18,900.00		
" Purchase of Furniture	322,500.00		
" Drawings	122,300.00		
" Income Tax Paid	58,000.00		
" Donations	28,700.00		
" LIC Premium	22,500.00		
" Net Profit	39,75,000.00		
	10,011,910.00		10,011,910.00

ADDITIONAL INFORMATION:

1. Allowable depreciation of Furniture is 10%.
2. Half of Vehicle expenses are for Personal use.
3. Mr. Suresh was permanently disabled from Birth .
He was suffering 40% 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:

- 1) Define Capital Asset ? (06)
- 2) Note the Provisions in relation to Leave Salary under Section 10(10AA)? (06)

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