

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.) Varun furnishes the information about her period of stay in India during 2008-09 to 2017-18 which is as follows:

A.Y	DAYS	A.Y	DAYS
2007-08	128	2013-14	179
2008-09	365	2014-15	65
2009-10	365	2015-16	75
2010-11	110	2016-17	92
2011-12	75	2017-18	110
2012-13	67		

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

- B)** Mr. Rahul engaged in the Business of retail trade of goods and Merchandise has gross receipts amounting to Rs. 1,37,42,000 from such business. He incurs Expenses as follows: Purchases: Rs. 82,80,200, Salaries: Rs. 72,500, Indirect Expenses: Rs. 12,36,700. The computer system is used for its business and the WDV of computer is Rs. 2,62,550. The computer is available for depreciation @40%.

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

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

W.D.V. as on 1st April,2017 Rs. 63,22,580. on 21st July,2017 new Machinery amounting to Rs. 27,32,000 was purchased. To add to the existing machinery new purchase on 30th March, 2018 was effected which amounted to Rs. 19,62,500. Part of the Machinery costing Rs. 12,36,700 was sold for Rs. 17,00,000.

Admissible Rate of Depreciation on Machinery is 15%.

Compute the admissible depreciation for A.Y. 2018-19. **(06)**

Q. 2B) Attempt the following: -

- a) Mr. Shashi covered by Payment of Gratuity Act, retires on 28th March, 2017 after serving the employer company for a period of 20 years and 10 months. He was drawing a salary of Rs. 7,500. On retirement he is not in receipt of pension but gratuity of Rs. 60,000 is paid. Compute taxable salary in his case for the A.Y. 2017-18. **(03)**
- b) Mr. Piyush staying at Chennai receives Rs. 14,700 monthly as basic salary Rs. 2,500 as D.A provided in terms of employment and 6% as commission on turnover achieved by him. He is paid an house rent allowance of Rs. 2,800 p.m. The turnover achieved by him for the year is Rs. 26 lakhs. House rent paid by him is Rs. 2,800 p.m.

Determine the taxable quantum of house rent allowance. **(03)**

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

Basic Salary: Rs. 12,60,000/- P.a.
Dearness Allowance: Rs. 25,000/- p.m.
Transport Allowance: Rs. 700 p.m.

Hostel Allowance: Rs. 350 p.m. per child for Three children
Children Educational Allowance : Rs. 500 P.m. for Three children.

He also owns a House property in Benalim , Which is Let out from 01st April , 2017.

The Details are as follows:

Municipal Valuation: Rs. 2,62,000
Fair Rent : Rs. 1,78,000
Standard Rent : Rs. 2,80,000
Actual Rent Received is Rs 26,000/- p.m.

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

Repairs : Rs. 28,000
Insurance Charges: Rs. 15,700
Municipal Taxes : Rs. 6,800

He has been paying Housing Loan on Loan amount of Rs. 28,00,000 on which interest @ 13% is paid.

LIC Premium Paid : Rs. 82,500
Investment in Provident Fund : Rs. 62,000
Housing Loan Principal Repayment : Rs. 27,880

Compute Gross Total Income for the A.Y. 2018-19. **(12)**

Q. 4) Ms. Alia is a Architect practicing in Bangalore. The following is the analysis of her Receipts and Payments for the Year Ending 31-03-2018.

RECEIPTS		AMOUNT	PAYMENTS		AMOUNT
To	Professional Income	3,285,700.00	By	Salaries	227,800.00
"	House Rent for 9 months	63,000.00	"	Rent	172,000.00
"	Share of Income from Firm	17,890.00	"	Telephone Expenses	12,880.00
"	Agricultural Income	48,900.00	"	Professional Fees Paid	75,880.00
"	Maturity of LIC Policy	326,500.00	"	Vehicle Expenses	236,890.00
			"	Office Expenses	12,800.00
			"	Purchase of Car	1,025,000.00
			"	Personal Expenses	172,800.00
			"	Income Tax Paid	75,000.00
			"	Donations	25,000.00
			"	Insurance	26,880.00
			"	<u>House Property Expenses:</u>	
				Municipal Taxes	7,000.00
				Repairs	6,200.00
				Insurance	3,300.00
			"	Balance C/d.	1,662,560.00
		3,741,990.00			3,741,990.00

ADDITIONAL INFORMATION:

1. Allowable depreciation of Car is 15%.
2. Municipal Value of house property is Rs. 68,000. The house was self occupied as her residence for 3 months.
3. Ms. Alia incurred expenditure amounting to Rs. 81,000 towards medical treatment of her dependant Husbandr. He was suffering 30% disability.

Compute her taxable Income for the year.

(12)

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

PARTICULARS	AMOUNT(Rs.)	PARTICULARS	AMOUNT(Rs.)
To Purchases	9,245,880.00	By Sales	18,245,000.00
" Salaries	179,600.00	" Dividend	26,880.00
" Printing & Stationery	12,500.00	" Bank Interest	17,560.00
" Telephone Expenses	19,801.00	" Share from Firm	785,000.00
" Professional Fees Paid	78,000.00		
" Vehicle Expenses	227,880.00		
" Office Expenses	36,500.00		
" Purchase of Computer	68,000.00		
" Drawings	175,000.00		
" Income Tax Paid	135,000.00		
" Donations	55,000.00		
" LIC Premium	56,750.00		
" Net Profit	8,784,529.00		
	19,074,440.00		19,074,440.00

ADDITIONAL INFORMATION:

1. Allowable depreciation of Computer is 60%.
2. Half of travelling expenses are for Personal use.
3. Mr. Jayesh incurred expenditure amounting to Rs. 60,000 Towards medical treatment of her dependant brother. He was suffering 40% disability.

Compute his taxable Income for the year.

(12)

Q-6) Write Short Notes on the following:

(12)

- i) Resident
- ii) Capital Assets
- iii) Assesse

Q-7) Answer the following:

1) Define Transfer?

(06)

2) Note the Provisions in relation to Gratuity under Section 10(10)?

(06)

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