

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
S Y. BBA (FS), Semester IV, End Semester Examination, April 2016
DIRECT TAXES

Timing: 2 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) Saina furnishes the information about her period of stay in India during 1999-00 to 2009-10 which is as follows:

A.Y.	DAYS	A.Y.	DAYS	A.Y.	DAYS
2004-05	63 days	2008-09	98 days	2012-13	108 days
2005-06	48 days	2009-10	85 days	2013-14	78 days
2006-07	90 days	2010-11	60 days	2014-15	52 days
2007-08	128 days	2011-12	70 days	2015-16	120 days

Determine her residential status for the assessment year 2015-16? (06)

Q1. B) Mr. Afridi 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. Archie opts for the Scheme under section 44 AF. (06)

Q.2 A) Imran Ltd furnishes the following information of its Machineries for the Previous Year 2014-15.

W.D.V. as on 1st April, 2014 Rs. 37,72,700 on 21st June,2014 new Machinery amounting to Rs. 17,42,000 was purchased. To add to the existing machinery new purchase on 30th March, 2015 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. 2015-2016. (06)

Q. 2.B) Examine the tax consequence of the transactions in the following Cases: (06)

- i) Mr. Sohail , a citizen of India , is employed in Indian Embassy at Tokyo, Japan. He received salary and allowance at Tokyo from the Government of India during the year ending 31-03-2010 for services rendered by him in Tokyo. Examine the Taxability of salary in the hands of Mr. Sujay for the A.Y. 2015-2016.

- ii) Mr. Ajmal Living in United Kingdom has let out his property at Bangalore to Mr. Alva for Pounds 10,000 p.m. payable at United Kingdom. Examine the Taxability of the Rent in the hands of Mr. Nikhil for the A.Y. 2015-2016.
- iii) A non-resident company purchases Carpet in India for the Purpose of Export and thereby earns profit.

Q.3) Mr. Amir provides the Following details of his Income for the P.Y. 2014-15.

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 01st April , 2009.

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 Pricipal Repayment : Rs. 7,880

Compute Total Income and Tax Thereon for the A.Y. 2015-2016.

(12)

Q.4) Write Short Notes on:

(12)

i) Transfer

ii) Long Term Capital Asset

iii) Resident and Not an ordinary Resident

Q.5) Answer the following:-

1) Define Capital Asset?

(06)

2) Note the Provisions in relation to House Rent Allowance under Section 10(13A)?

(06)

Q.6) Ms. Sania is a Actor by Profession. The following is the analysis of her Receipts and Payments for the Year Ending 31-03-2015

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</u> <u>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. Sania 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.7) Mr. Akmal provides his Profit & Loss Account for the year ended 31st March , 2015.

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		
	<u>1,637,250.00</u>		<u>1,637,250.00</u>

ADDITIONAL INFORMATION:

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

Compute her taxable Income for the year.

(12)
