

Total No. of Questions—5]

[Total No. of Printed Pages—6

Seat No.	
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**[5262]-403**

**B.B.A. (Sem. IV) EXAMINATION, 2017**

**403 : BUSINESS TAXATION**

**(2013 PATTERN)**

**Time : Three Hours**

**Maximum Marks : 80**

**N.B. :—** (i) *All* questions are compulsory.

(ii) Figures to the right indicate full marks.

1. What are the different categories of Assessee according to their residential status ? How is the status determined ? [16]

*Or*

Discuss Method of Valuation of different perquisites for the purpose of Income Tax.

2. What do you mean by Gross Annual Value ? How is it calculated ? [16]

*Or*

How is assessment of Firm and assessment of a partner made ?

3. (A) Write short notes on (any *two*) : [8]

- (a) Previous year and Assessment year
- (b) Define Income u/s 2(24)
- (c) Indexed Cost of Improvement
- (d) Deductions u/s 80C

P.T.O.

- (B) Mr. Narayan sells his house property, acquired in 1974 for Rs. 2,50,000, for a consideration of Rs. 1,50,00,000 in September of Current year. Cost of improvement for this property in June 1979 was Rs. 3,00,000 and in July 1994 Rs. 2,80,000. Expenses incurred for effecting sale is Rs. 1,00,000. Compute the taxable capital gain by assuming that the fair market value as on 1/04/1981 at Rs. 10,00,000.

The cost inflation index :

1981-82 — 100, 1994-95 — 259, 2016-17 — 1125 [8]

4. Mrs. Radha is employed in a company at Delhi and she furnished the following particulars of income for the F.Y. 2016-2017 : [12]

- (1) Basic pay Rs. 40,000 p.m.
- (2) Dearness Allowance Rs. 4,000 p.m. (Rs. 1,000 p.m. enters into retirement benefits)
- (3) Bonus for the year Rs. 40,000
- (4) Arrears for the earlier year's Rs. 10,000
- (5) Advance Salary Rs. 15,000
- (6) Employers Contribution to R.P.F is 15% of Salary
- (7) Interest on R.P.F @ 13% — Rs. 39,000

- (8) She is provided with furnished accommodation at Delhi owned by the employer. The fair rental value of Bungalow is Rs. 10,000 p.m. Cost of furniture is Rs. 50,000. Rent paid for accommodation by Mrs. Radha is Rs. 2,000 p.m.
- (9) Hospital bill reimbursed by the employer Rs. 28,000
- (10) She was given cloth worth Rs. 3,000 by employer at free of cost.
- (11) Professional Tax Rs. 2,500 p.a. and LIP of Rs. 10,000 p.a. paid by the employer.

Compute her income from salary for the assessment year 2017-18.

*Or*

Mr. Kiran is the owner of business. He submitted his Profit and Loss Account for the year ending 31st March, 2017 : [12]

### **Profit and Loss Account**

<b>Particulars</b>	<b>Amt (Rs.)</b>	<b>Particulars</b>	<b>Amt (Rs.)</b>
To Salary to Proprietor	10,000	By Gross Profit	50,000
To Staff Salary	15,000	By Profit on sale of Car	15,000
To General Expenses	7,000	By Bad Debts recovered	5,000
To Interest on Capital	2,000	By Interest on Government	

To Bad Debts	1,000	Securities (Gross)	4,000
To Advertisements	2,700	By Dividends (Gross)	4,000
To Fire Insurance	1,000	By Interest on Post	
To Depreciation	3,000	Office Savings	4,000
To Provision for Doubtful			
Debts	1,000		
To Income Tax	4,000		
To Donation to School	3,000		
To Car Expenses	3,000		
To Net Profit	29,300		
	<hr/>		<hr/>
	82,000		82,000
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*Additional Information :*

- (1) Depreciation allowed as per income tax rules is Rs. 2,500 only.
- (2) General Expenses included Rs. 500 spent on printing calendars.
- (3) Advertisement include Rs. 1000 paid for distribution of pamphlets.
- (4) General expenses include Rs. 3,000 as Banking cash transaction tax.

Compute business income of Mr. Kiran for the assessment year 2017-18.

5. Mr. Parth is a senior citizen (Aged 65 years) of Pune employed in Gopal Ltd. furnished you the following information in respect of the F.Y. 2016-17 : [20]

1. Basic Salary Rs. 35,000 p.m.
2. Dearness allowance 20% of Basic salary
3. Transport allowance Rs. 21,600 p.a.
4. City Compensatory allowance Rs. 1,500 p.m.
5. Pension from the previous employer Rs. 5,000 p.m.
6. He has contributed Rs. 1,200 p.m. to the unrecognized provident fund and an equal amount is contributed by the company.
7. During the year, he has received interest on government securities Rs. 18,000 (Gross) and family pension of his wife Rs. 3,000 p.m. Dividend received from an Indian Company Rs. 20,000. Income from units of UTI Rs. 45,000.
8. He has self-occupied property. On 1st January 1996, he had borrowed Rs. 4,00,000 for the acquisition of the house. During the year, he has repaid Rs. 24,000 as principal, Rs. 32,000 as interest on this loan. Municipal taxes Rs. 3,000 and repairs Rs. 2,000.

9. During the year he has made investment in National Savings Certificates of Rs. 20,000, has paid Rs. 18,000 as premium of his son and Public Provident Fund Rs. 10,000.
10. The company has deducted income tax at source Rs. 4,000 and professional tax Rs. 3,300.
11. Income from business Rs. 1,50,000.

You are required to compute taxable income and tax liability of Mr. Parth for the assessment year 2017-18.