

Apr / May 2012

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SEAT No. :

P541

[Total No. of Pages : 3

[4175] - 310

M.B.A. (Sem. - III)

FINANCE MANAGEMENT SPECIALIZATION - II

(304 B) : Direct Taxation

(2008 Pattern)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) Q.No. 1 is compulsory. Attempt any four questions from the remaining.
- 2) Use of electronic pocket calculator is allowed.
- 3) Figures to the right indicate full marks.

Q1) Explain the meaning of following concepts (Any Five): [10]

- a) Artificial juridical person as given in the definition of the term "Person".
- b) Pre - construction period interest.
- c) Non - resident in case of company.
- d) Previous year. www.sppuonline.com
- e) Short term capital gain in respect of securities.
- f) Defective return.



Q2) It is said that "tax liability of any person depends upon his residential stay as well as nationality". Do you agree with this view? Substantiate your answer.

[15]

Q3) Miss Kardata has two properties. Both are let out. Particulars for FY 2010-11 are as follows:

[15]

Property - I

Municipal valuation Rs. 6,50,000

Fair rent Rs. 6,80,000

Standard rent Not applicable

Property actually let out for 9 months only. Monthly rent Rs. 60,000/- & remains vacant for 3 months.

Municipal taxes are 15% of Municipal Value and are paid by the tenant.

Interest paid on housing loan for the year Rs. 1,60,000/-

P.T.O.

Property - II

Municipal value Rs. 3,50,000

Fair rent Rs. 4,00,000

Standard rent Rs. 5,00,000

Rent received Rs. 6,50,000

Extensive repairs were carried out costing Rs. 1,50,000. Municipal taxes Rs. 6,000 paid by Miss Kardata.

Calculate income from house property for both properties.

Q4) a) State the meaning of inter source and inter head adjustment. What are the provisions for carry forward & set off of business losses & unabsorbed depreciation? [8]

b) Calculate Capital Gain [7]

- Flat purchased on
10 - 4 - 97 for Rs. 6,00,000
- Improvement in flat on
17 - 5 - 97 expenditure Rs. 2,50,000
- Extension of flat on 24 - 8 - 05 Rs. 2,00,000
- Flat sold on 31 - 12 - 2010 for Rs. 53,50,000
- Brokerage paid at the time of sale 65,000

[Cost inflation Index

1997 - 98 – 331

2005 - 06 – 497

2010 - 11 – 711]

Q5) Mr. Abhay has following income during 2010-11 [15]

- Basic Salary 1,20,000
- DA 40,000
- Turnover Commission 6,000
- Education allowance
for Children.
(Mr. Abhay has two children) 7,200
- He is provided rent free Accommodation at Mumbai by employer ABC
ltd.

- He receives dividend from Indian company Rs. 5,400/-
- He received Rs. 6000 profit on sale of listed shares which were held for 2 years.
- Calculate taxable income of Mr. Abhay.

Q6) Write short notes on any 3:

[15]

- a) Agricultural Income.
- b) Income from other sources.
- c) Best judgement Assessment.
- d) Consequences of non payment of advance tax.
- e) Income from business & profession.

Q7) Discuss the tax treatment of the following with suitable examples (any 3): **[15]**

- a) Gratuity.
- b) Entertainment Allowance.
- c) Amount received in Voluntary Retirement Scheme.
- d) House rent allowance.

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