

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**BBA Winter 2021-22 Examination**

**Semester: 5**  
**Subject Code: 06101302**  
**Subject Name: Direct Tax**

**Date: 22/09/2021**  
**Time: 2:30 pm to 5:00 pm**  
**Total Marks: 60**

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as Directed.****A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark)****(05)**

1. The authority on whose recommendation the amount collected as income tax distributed to state govt. \_\_\_\_\_
 

A. CBDT	B. Finance Commission
C. Planning Commission	D. Chief Ministers
2. In case of winning from horse races, payment exceeding \_\_\_\_\_ are subject to tax deduction as sources.
 

A. Rs. 2000	B. Rs. 50,000
C. Rs. 5000	D. Rs. 10,000
3. \_\_\_\_\_ is exempted from income tax.
 

A. Interest from indian company	B. Cooperative dividend
C. Dividend from foreign company	D. Dividend from Indian Company
4. Profit earned from an illegal business are \_\_\_\_\_
 

A. Taxable	B. Ignored by Tax Authorities
C. Tax Free	D. Treated as a Other income
5. **Contribution made to an approved research association is eligible for deduction up to...**

A. 150%	B. 125%
C. 63 %	D. 133%

**B). Define the following. (Each of 1 mark)****(05)**

1. Surcharge
2. Deduction
3. Pension
4. Block of assets
5. Gross Total Income

**C). Direct questions.(Each of 1 mark)****(05)**

1. What are the provisions for valuation of rent free house for furniture?
2. What is the impact of bad debt recovered during PY?
3. What are the permissible methods for closing stocks?
4. What indexed cost of acquisition?
5. How to compute income from profession?

**Q.2 Answer the following questions.**

- A). What is the meaning of term Residence? What are the ways to determine the residential status of an individual? (07)**

- B). Mr.Parth came to India for the first time on 11-11-2005 He stayed in India in earlier previous year as under : (08)

Previous year	Days
2005-06	80
2006-07	70
2007-08	60
2008-09	200
2009-10	130
2010-11	-

During previous year 2011-2012 he was present in India from 1-4-2011 to 31-5-2011. From above information determine residential status of Mr.Parthfor A. Y. 2012-13.

**Q.3 Answer the following questions.**

- A). From the following particulars of income of Mr.Kulkarni, compute his taxable income under the head 'Income from other Sources' for the A.Y. 2017-18 : (07)

Particulars	Rs.
Dividend received on equity shares of Indian company	12,000
Income from unexplained sources	5,000
Net prize money (after deduction of tax at 30%) received on Winning from lottery	35,000
Interest received on Rs. 90,000 invested in 10% tax free debentures of A Ltd. (T.D.S. rate 10%)	9,000
Ground rent income	8,000
Loan of Rs. 20,000 at 8% interest is taken for purchase of debenture of A Ltd. on 1-10-2011	
Expenses (cost) of lottery tickets bought	2,500
Interest received on Rs. 10,000, 7% capital investment bonds	2,000

- B). Define "Perquisite", explain taxability of rent free accommodation as a one of the perquisites. (08)

**Q.4 Attempt any two questions.(Each of 7.5 mark) (15)**

- 1 Discuss the provisions of Income Tax Act, 1961 relating to taxability of Gratuity and Pension

- 2 Dr.Prashad provides his receipt and payment account for the year ended 31-3-2017 :

<b>Receipt and Payment A/c</b>			
<b>Receipts</b>	<b>Rs.</b>	<b>Payments</b>	<b>Rs.</b>
To Balance b/d	10,000	By Purchase of medicine	14,000
To Operation theatre rent	50,000	By Hospital rent	1,05,000
To Hospital room rent	1,70,000	By Electricity exp.	8,500
To Sale of medicine	20,000	By Telephone exp.	11,500
To Consulting fees	42,500	By Surgical equipment	
To Interest	7,500	purchased (1-1-2017)	1,00,000
To Dividend	5,000	By House hold exp.	18,500
To Gift from patient	17,500	By Insurance Premium :	
To Sale of jewellery	27,500	– Hospital	5,000
		– Residential Bungalow	2,500
		By Staff salaries	55,000
		By Donation	10,000
		By Balance c/f	20,000
	3,50,000		3,50,000

Calculate taxable income of Dr.Prashad for the A.Y. 2017-2018,  
Written down value of surgical equipment as on 1-4-2016 is Rs. 80,000 and the rate of depreciation is 25%.

- 3 What are the various allowances are available.? explain in details.
- 4 Explain provision of Income Tax Act Section 54F and 54H, Under the head of Income from Capital gain.