

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT STUDIES**  
**BBA Summer 2022-23 Examination**

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

**Date: 16/03/2023**  
**Time: 2.00pm to 4.30pm**  
**Total Marks: 60**

**Instructions**

1. Attempt all questions from each section.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Write separate sections on separate answer sheets.

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

1. Method by which an assessee avoids paying tax illegally is termed as \_\_\_\_\_
  - a) Tax Escaping
  - b) Tax Evasion
  - c) Tax Planning
  - d) Tax Avoidance
2. Rs. \_\_\_\_\_ per month is added to taxable value of motor car perquisite if Driver is provided
  - a) 600
  - b) 900
  - c) 1200
  - d) 1000
3. Loss incurred due to theft in business premises is \_\_\_\_\_ Expenses
  - a) Admissible
  - b) In-Admissible
  - c) Revenue
  - d) Capital
4. Gross Annual value of self-occupied house is \_\_\_\_\_
  - a) Zero rupee
  - b) As per market value
  - c) Government License
  - d) None of Above
5. Ganesh received Rs. 60,000 from his friend on the occasion of his birthday
  - a) Rs. 60,000 is taxable
  - b) Rs. 50,000 is taxable
  - c) The entire amount is exempt
  - d) Rs. 10,000 is taxable

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

1. Deemed to be Let out House
2. Block of Assets
3. Perquisites
4. Assessee
5. Person

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

1. State income exempted under section 10
2. How much Entertainment allowances are exempted?
3. Which kind of expenses are dis-allowed as expenses in PGBP?
4. State its heads of source of Income?
5. Mention the types of tax with example.

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

- A) Mr. Kumar Ranjan visited for the first time on 1-8-2015. He was also present in India from 1-1-2021 to 2-4-2021. From the following information determined the residential status of Mr. Kumar Ranjan for A.Y. 2021-22: (07)

Previous Year	Stay in India
2015-16	48 Days
2016-17	-
2017-18	310 Days
2018-19	55 Days
2019-20	-

- B) Shri Kishana is employee in Limited company at Delhi, the following particulars of his salary are recorded to find taxable salary for the Assessment year 2021-22. (08)
- Basic Salary Rs. 60000 Per Month
  - Dearness allowances Rs. 20000 Per Month
  - Bonus Rs. 60000 Per annum
  - Move and Refreshment allowances Rs. 20000 for the year
  - Rent free furnished accommodation provided with Token amount of Rs. 5000 per month
  - Total cost of furniture is Rs. 690,000 and company Paying Rent of Rs. 45000 per month
- Determine the value of RFA and Total taxable salary

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

- A) Explain the types of capital gain and also provide detail description on the concept of “Cost of Improvement” and “Cost of Acquisition” (07)
- B) Mr. Sadan Patha, A proprietor of Sadan Goods present Profit and Loss Account for the year ended 31-3-2021 as follow: (08)

Debit Balance	Rs.	Credit Balance	Rs.
To opening stock	968000	By Sales	3000000
To Purchase	1800000	By Closing Stock	1260000
To salary	700000	Bad Debt received	20000
To Depreciation (Machine)	86000	By Rent Received	72000
To interest on Capital	24000	By Lottery	100000
To Advertisement Expenses	7000	By Income Tax Refund	6000
To Donation	16000		
To Motor car Exposes	14000		
To Paneity	6000		
To Discount Reserve	4000		
To Income Tax	40000		
To Office Expenses	11000		
To Local Tax (On House)	4000		
To Net Profit	731000		
	4458000		4458000

**Alterations:**

- Office expense include Rs. 5000 of Daughter’s college fees and Rs. 6000 of pooja expenses at Business
- Opening stock include 10% more value and Closing values at 5% more value

- (iii) 40% bad debt not allowed in Past as Expenses
- (iv) Actual depreciation approved for Rs. 100000
- (v) Travelling expenses includes Rs. 10000 for family tour.
- (vi) Motor car uses for Offices and personal at equal rate
- (vii) Purchases include Rs. 50000 cost of Furniture.

Compute the taxable income from PGBP for year 2021-22

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

1. Examine under which heads the following incomes are taxable:
  - a). Rental income in case property held as stock-in-trade for 3 years
  - b). Dividend on shares in case of a dealer in shares
  - c). Salary received by a partner from his partnership firm
  - d). Rental income of machinery
  - e). Winnings from lotteries by a person having the same as business activity
  - f). Salaries payable to a Member of Parliament
  - g). Receipts without consideration
  - h). In case of retirement, interest on Unrecognized provident fund.
  - i). Rental income in case of a person engaged in the business of letting out of properties.
2. The Following are the particulars of income of Mr. Ramesh (an employee of an Individual) for the previous year ended on 31 March 2020.
  - 1) Salary Rs. 4500 p.m
  - 2) Bonus equal to two months salary
  - 3) Dog allowance – Rs. 75 p.m
  - 4) Special Allowance – Rs.60 p.m
  - 5) Employee's contribution to a recognized provident fund @ 15% of salary
  - 6) Employer's contribution to the fund @ 15% of the salary
  - 7) Interest credited to the provident fund @ 9.5% p.a. is Rs.2,800
  - 8) He is provided with free lunch in office. The cost per meals Rs.30
  - 9) The employer has given him the use of small car which he uses for personal and official purpose. He meets the expenses for personal purpose from out of his pocket.

Compute the taxable income of Mr. Ramesh from salaries for the A.Y. 2020-2021.

3. Write a detailed note on "Deduction for Depreciation" in respect to the concept of Block of assets.
4. Briefly explain "Income Under head of House Property"