

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2023-24 Examination

Semester: 05
Subject Code: 06101302
Subject Name: Direct Tax

Date: 10/10/2023
Time: 10:30am to 1:00pm
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.

	CO	PO	BTL
A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark)	(05)		
1. Income tax was passed in	1	1	1
a) 1955			
b) 19610			
c) 1956			
d) 1939			
2. Normally previous year starts from	1	1	1
a) 1 st April every year			
b) 1 st March every year			
c) 1 st January every year			
d) 31 st March every year			
3. Income received in India is taxable for	2	3	2
a) Resident			
b) Non resident			
c) resident but not ordinarily resident			
d) All of the above			
4. House rent allowance is	2	4	2
a) Fully Taxable			
b) Partly Taxable			
c) Fully exempted			
d) None of the above			
5. Maximum limit of amount which can be claimed as deduction under section	4	4	2
a) Rs. 50000			
b) Rs. 100000			
c) Rs. 150000			
d) Rs. 200000			
B). Define the following. (Each of 1 mark)	(05)		
1. Write down the tax treatment of gratuity for government employees.	2	2	5
2. Write down the rule of resident and ordinarily resident.	1	4	4
3. What is the meaning of commuted pension and uncommuted pension?	2	4	2
4. Write down the rule of child education allowance and hostel allowance.	1	1	2
5. List out at least 5 items of income which can be included under the head "Income from other sources".	1	2	2
C). True or False. (Each of 1 mark)	(05)		
1. Direct taxes are taxes imposed on individuals and businesses directly by the government.	1	2	2
2. Capital gains tax is a form of direct tax on the profit made from the sale of an asset.	2	4	2
3. Under the head income from house property the basis of charge is annual value of house property.	2	2	2
4. Municipal tax due is allowed as deduction for computation of income from	4	2	2
5. Income from house property cannot be negative.	3	1	2

Q.2 Answer the following questions.

- A). X was born in pune in 1978. Later on he migrated to Australia in December 2020 and took the citizenship of that country with effect from January 1, 2021. His parents were born in Nasik in 1948 but his grandparents were born in Sydney. He comes to India on February 15, 2022 for a visit of 190 days. Find out the residential status of X for the assessment year 2022-23 on the assumption that before 2020, he was present in India for at least 275 days every year. (07) 1'2 2 5
- B). X, not being covered by the payment of gratuity Act, 1972, retires on January 25, 2022 from PQR and receives Rs. 376000 as gratuity after service of 40 years and 2months. His average monthly salary during March 1, 2021 to December 31, 2021 is Rs. 16590. Determine the amount of (a) taxable gratuity (b) gratuity exempted from tax for the assessment year 2022-23. (08) 3,4 3 4

Q.3 Answer the following questions.

- A). X who resides in Poona, gets RS 220000 per annum as basic salary. He receives Rs. 65000 per annum as house rent allowance, though he pays Rs. 60000 per annum as house rent. Determine the amount of house rent allowance chargeable to tax for the assessment year 2022-23. (07) 2,3 2 4
- B). Find out tax liability for the A.Y. 2022-23 in the case of X (who is resident individual and born on April 5, 1961) in the following situations.
Situation 1- Net income Rs. 260000, Situation 2- Net income Rs. 300000, Situation 3- Net income Rs. 500000, Situation 4- Net income Rs. 600000, Situation 5- Net income Rs. 1250000, Situation 6- Net income Rs. 840000, Situation 7- Net Income Rs. 1675000, Situation 8- Net Income Rs. 970000. (08) 2,3,4 2 4

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

(15)

1. Write a short note on exemptions under Section 54, Section 54D, section 54 G. 4 4 5
2. Explain provision regarding Section 24 in respect :Income under head of House property. 1,4 3 6
3. X (42 Years) gives following information for the previous year 2021-22.
 1. On December 1, 2021 he gets a gift of house A from his friend B (stamp duty value is determined at Rs. 600000)
 2. On December 7, 2021, X purchases a second hand car for Rs. 70000 from D (market value is, however, Rs. 300000)
 3. On December 14, 2021, X purchases a work of art for Rs. 500000 from E (fair market value is Rs. 530000)
 4. On December 20, 2021, X purchases jewellery for Rs. 700000 from F (fair market value is Rs. 725000). F is not registered dealer.
 5. On December 25, 2021, X gets a gift cheque of Rs. 100000 from his friend L on his birthday. 4 4 5
 6. On December 26, 2021 X gets a gift of 100 preference shares in A ltd. from J (on December 26, 2021, stock exchanges are closed, the lowest quotation on the immediate preceding working day in NSE is Rs. 450). Determine the amount of taxable income and nontaxable income of X for the A.Y. 2022-23
4. Write down short note on leave salary in detail with rules. 3 1 4