

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2017 - 18 Examination

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

Date: 04/06/2018
Time: 10:30AM TO 01:00PM
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.**A). Multiple choice type questions/Fill in the blanks.****(05)**

1. A Method of avoiding tax payment illegally called.....

a) Tax Avoidance	b) Tax Evasion
c) Tax Planning	d) None
2. Interest on loan taken for repair and renewal for residential house, maximum permissible deduction allowed d. a.

a) 20,000	b) 30,000
c) 100,000	d) 200,000
3. As per "Income Tax Act 1962" V.M.C considered as person in context of

a) A local government	b) A local authority
c) An unit or firm	d) An artificial juridical person
4. Standard deduction of ___% is allowed from NAV of income from House Property.

a) 5	b) 10
c) 20	d) 30
5. Dividend received from any Indian company considered as "Income From Other Source" and application to charges income tax at the rate of _____

a) 5%	b) 10%
c) 30%	d) 0%

B). Define the following.**(05)**

1. Casual Income
2. Deemed Assessee
3. Transfer
4. Relative
5. Clubbing of income

C). Direct questions.**(05)**

1. Write about an Assessment year.
2. Write any five items under section 80 C of Income Tax Act, 1961
3. What is 'MAT' ?
4. What do you mean by indexed cost of acquisition and improvement?
5. List out any five items on Deductions allowed @ 100%

Q.2 Answer the following questions.**A). Write a Short note on "Grossing up" and "Amount Not Deductible as U/s 58"****(07)****B). What is capital gain? Explain different types of capital gain****(08)****Q.3 Answer the following questions.**

A). Mr Ramnik Shah, A Canadian citizen came to India for business trip on 1st march 2012. he stayed In India for 2 years and went back to Canada. After 2 years he again came to India on 31st December 2016 for a contact and return on 31st December 2017. Determined his residential status for the A.Y 2017-18.

(07)**B). Explain "Capital gain exempted from income tax" u/s 54****(08)**

Q.4 Attempt any two questions.**(15)**

1. Mr Akash Shah, retired from his services on 31st October 2017 after 30 years and 10 months of services. His salary at the time of retirement was 20,000, dearness allowances 30% of basic, and H.R.A was 4,000 and he received 9, 50,500 as gratuity and 10, 50,000 as commuted pension. Find out taxable gratuity and pension. Under following circumstances
 1. If he is covered under Payment of Gratuity Act 1972.
 2. If he is not covered under Payment of Gratuity Act 1972.
 3. If he is Government employee.
2. Mr. Ganesh Sankara, working as Assistant Manager in a Falcon ltd. And getting basic salary of ₹. 35,000 p.m. dearness allowances at 50% of basic (50% forming part of retirement benefit). Bonus and commission at 10% and 15% of basic salary respectively and H.R.A at 20% of basic salary. He stay in Vadodara on rent till 30th September 2016 with monthly rent of 8,000, As on 1st October 2016, he has purchased own house of 22, 00,000 with help of SBI Home finance. Find out taxable H.R.A for assessment year 2017-18
3. Find out taxable business income of Mr. Harsh Shah for the year ending 31-03-2017 from following information.
 - 1) Profit as per statement of Profit and Loss are 8,43,000 including income from interest of Fixed deposit 11,000, Bad Debt recovery 14, 000 , Profit on sale of ABB Shares 80,000.
 - 2) He received 2,000 as interest on capital and have donate 1200 to Recognised charitable trust.
 - 3) He use his own motor car for business as well as personal use with ratio of 3:7 and total motor car expenses are 20,000
 - 4) Depreciation under charged as per Income Tax 1962 are 50,000 and actual recorded 48, 000.
 - 5) Bad Debt Recovered includes 9,000 which is not allowed as Bad Debt.
 - 6) The following items are not recorded in Profit and loss account
 - P.F Contribution of employees 5,000
 - Advertisement Expenses 6,000
4. The following particulars are furnished by Aska engineers relating to its accounting year ending on 31-3-2017 :

Assets	W.D.V. on 1-4-2016 (Rs.)	Additions during the year (Rs..)	Rate of depreciation
Machinery	8,00,000	1,00,000	15%
Furniture	18,500	(On 1-2-2016)	10%
Buildings	5,80,000	—	10%

A part of building costing 1, 00,000 was destroyed by fire on 30th July, 2016. The insurance company admitted a claim of 58,000. The W.D.V. of 60,000 of this part of building was also included in the W.D.V. (5, 80,000) of buildings.

Compute the amount of depreciation allowable for the A.Y. 2017-18