

Total No. of Questions—6]

[Total No. of Printed Pages—5

Seat No.	
-------------	--

[4967]-4003

**B.B.A. (Fourth Semester) EXAMINATION, 2016**

**BUSINESS TAXATION**

**(2013 PATTERN)**

**Time : Three Hours**

**Maximum Marks : 100**

**N.B. :—** (i) All questions are compulsory.

(ii) Figures to the right indicate full marks.

1. What is chargeability of tax under the head 'Income from House Property' ? [16]

*Or*

State the deductions allowed from Gross Total Income u/s 80 an individual assessee. [16]

2. Define Income. Explain any *ten* incomes exempted u/s 10 from tax. [16]

*Or*

Explain in detail taxation structure in India. [16]

3. (a) Write short notes (any *two*) : [8]

(i) Income from other source

(ii) Refund of tax

(iii) Various Heads of Income

(iv) Person.

P.T.O.

(b) Mr. Suraj sales the following capital assets during the previous year (2015-16) : [8]

	<b>Non-listed Shares</b>	<b>House Property</b>
	₹	₹
Sale consideration	10,00,000	20,00,000
Year of acquisition	1992-93	1985-86
Cost of acquisition	2,90,000	18,000
Cost of improvement incurred in 1991-92	—	70,000

The cost inflation index : 1985-86-133, 1991-92-199, 1992-93-223, 2014-15-1024

Determine the capital gain.

4. Mr. Chandan employee of a ABC India Ltd., Mumbai receive the following salary and perquisites from his employer during the financial year 2015-2016 : [16]

- (i) Basic pay ₹ 30,000 p.m.
- (ii) Dearness allowances ₹ 5,000 p.m. (₹ 1,500 p.m. enters into retirement benefits)
- (iii) Educational allowance for two children at ₹ 1,000 p.m. per child and hostel expenditure allowance for elder son ₹ 1,350 p.m.
- (iv) Commission on sales ₹ 50,000
- (v) City compensatory allowance ₹ 250 p.m.
- (vi) Entertainment allowance ₹ 400 p.m.
- (vii) House rent allowance ₹ 3,500 p.m.
- (viii) Employers contribution towards recognized provident fund ₹ 47,000

- (ix) Interest credited to recognized provident fund account was @ 13% p.a. amounted to ₹ 17,250
- (x) Hospital bill reimbursed by the employer ₹ 13,000
- (xi) He has been provided with a motor car of 1.8 litre engine capacity (i.e. 1,800cc) power with driver for his official as well as personal use, running and maintenance expenses are borne by the company.
- (xii) Rent paid by the assessee for the house ₹ 4,000 p.m.
- (xiii) Professional tax ₹ 2,500 p.a. and LIP of ₹ 12,000 p.a. paid by the employer

Compute his income from salary for the assessment year 2016-17.

5. Mr. Eknath is the proprietor of business. His profit and loss account for the year ending 31st March 2016 is as follows : [16]

<b>Particulars</b>	<b>Amt. ₹</b>	<b>Particulars</b>	<b>Amt. ₹</b>
To Office salaries	70,000	By Gross profit	3,45,000
To Interest on capital	10,500	By Interest on fixed deposits	15,800
To Rent and taxes	20,000	By Dividend	5,000
To Motor car expenses	10,000	By Gift from a friend	3,500
To Depreciation	79,000	By Bad debts recovered	
To Sales tax	35,000	(not allowed as deduction earlier)	4,000

To Legal charges	15,500	
To RDD	7,000	
To Bonus	16,000	
To Advance income tax paid	14,000	
To Gifts and presents to employees	1,500	
To Net profit	94,800	
	3,73,300	3,73,300

Additional information :

- (i) Office salaries include ₹ 5,000 paid to domestic servant.
- (ii) Sales tax includes 4,000 as penalty and ₹ 3,000 as interest for late payment of sales tax charged by the sales tax authority.
- (iii) Allowable amount of depreciation as per income tax rule in ₹ 76,000
- (iv) Advertisement includes ₹ 750 as expenditure incurred for selling household furniture.

Compute the business income of Mr. Eknath for the AY 2016-17.

**6.** Mr. Vishal a resident individual the following information for the year ended 31st March 2016 : [20]

- (i) Basic salary ₹ 35,000 p.m.
- (ii) Commission fixed ₹ 55,000 p.a.
- (iii) Employers contribution to R.P.F. ₹ 39,400 and equal contribution made by an employee

- (iv) He has been provided with a 1650cc car for both official and private purpose. The assessee pays the running and maintenance expenses for the personal use of car
- (v) He paid ₹ 2,500 professional tax
- (vi) He has given one of his house on rental basis at ₹ 5,000 p.m. municipal value of the same house is ₹ 65,000. He paid municipal tax ₹ 3,500 and ground rent ₹ 1,000
- (vii) Income from business ₹ 75,200
- (viii) He received the following :
  - (a) Interest on bank deposits ₹ 25,000
  - (b) Interest on company deposits ₹ 10,000
  - (c) Dividend from domestic company ₹ 10,000
  - (d) Maturity claim of LIC ₹ 60,000
- (ix) His savings and investment are as follows :
  - (a) Fixed deposits with bank ₹ 75,000
  - (b) Mediclaim Insurance Premium ₹ 21,000 on the life of his father (having age more than 65 years)
  - (c) Tuition fees ₹ 12,000
  - (d) P.P.F. ₹ 25,000

Compute his total income and of tax liability for the A.Y. 2016-17.