

[25]

**SARDAR PATEL UNIVERSITY**  
**B.B.A. (ITM) (SEMESTER: V) EXAMINATION**

2017

Thursday, 9<sup>th</sup> November

10:00 A.M. To 12:00 P.M.

**UM05CBB104: BUSINESS TAXATION-I**

Total Marks: 60

**Note:** 1. Figure to the right indicate full marks of question.

2. All questions carry equal marks.

3. Working notes are the part of answer.

- Q-1 (A) State the provision of Income-Tax Act for determining the Residential status of Individual Assessee as a Resident, Ordinary Resident and Nonresident and incidence of tax. [10]
- (B) Write a note on: Agriculture Income [05]
- OR**
- Q-1 (A) Write short note on: (a) Previous Year (b) Income (C) Assessment Year (D) Person [10]
- (B) List out ten exempted income for individual. [05]
- Q-2 (A) What is the time for filing the income tax return? Explain types if income tax return. [09]
- (B) Write a note on: PAN (Permanent Account Number) [06]
- OR**
- Q-2 (A) Explain the Provision of Tax Deducted at Source (TDS). [10]
- (B) What is Advance Payment of Tax? Explain the rules for Advance payment of tax. [05]
- Q-3 Mr. Nilay furnishes the following details compute his salary for Assessment year-2017-18. [15]
1. He was appointed on 01/07/2013 on the pay scale of Rs. 11,000-200-14,000-300-17,000 and the date of increment is 1<sup>st</sup> July.
  2. Dearness Allowance is 40% of Basic salary.
  3. Commission on profit Rs. 40,000.
  4. Education Allowance for 3 children Rs. 6,400 per year.
  5. Medical allowance Rs. 200 per month.
  6. His contribution to recognised provident fund Rs. 1,200 per month and same amount is contributed by his employer.
  7. 9% Commission on RPF Rs. 40,000.
  8. He was provided following perquisites during the year:
    - i. He has been provided accommodation with furniture of Rs. 150000. (Accommodation is provided in Vallabh Vidyanagar whose population is less than 1 lakh.)
    - ii. Company has given motor car of 1.8 CC engine with driver which is used for both office and private purposes.
    - iii. Company has paid salary of watchman and gardener Rs.2,000 per month each.
    - iv. Company has paid hotel bills and club bills Rs. 40,000.

9. Professional tax paid during the year Rs. 2,400.

**OR**

Q-3

Mr. RAM is employed with a Janki Electric Limited Company in Mumbai. He [15]  
furnishes following details compute his taxable income from salary for the AY  
2017-18.

1. Basic Salary up to 31-08-16 Rs.30,000 pm and thereafter Rs.34,000 pm.
2. DA is 50% of basic salary (50% DA is specified).
3. Commission @ 5% on profit Rs.25,000.
4. Project allowance Rs. 300 pm.
5. Transportation Allowance Rs. 2,000 per month.
6. Washing Allowance received Rs. 3,600 per annum (saved at Rs. 360).
7. Education allowance for 3 children Rs. 160 pm per child.
8. House Rent Allowance Rs. 60,000 per annum (Actual House Rent Paid Rs. 4000 Per Month)
9. Company allowed following perquisites during the year:
  - a. Medical bills paid by company during the year Rs. 21,000 for his wife.
  - b. Company has provided 50 lunches during year each costing Rs. 70 per meal.
  - c. Training facilities outside India Rs. 10,000.
  - d. He uses the laptop of company costing Rs. 35,000.
10. Mr. Sankar has also received entertainment allowance of Rs. 250 pm and has paid professional tax Rs. 2,400 during the year.

Q-4

Mr. KNP has three houses in Bharuch. Calculate his taxable income under the [15]  
head of 'Income from House Property' for the A.Y. 2017-18 using following  
information:

Particulars	House-1 (Rs.)	House-2 (Rs.)	House-3 (Rs.)
Fair Rent (Annual)	4,20,000	2,25,000	6,50,000
Municipal Valuation	4,00,000	2,10,000	6,00,000
Standard Rent	4,10,000	1,95,000	5,10,000
Actual Rent (Monthly)	30,000	25,000	----
Vacancy period	1 Month	----	----
Municipal Taxes Paid by KNP	22,000	18,000	25,000
Municipal Taxes paid by the tenants	6,000	8,000	----
Municipal Taxes Payable by KNP	4,000	5,000	6,000
Rent Collection Charges	4,000	5,000	----
Interest on Loan Taken for repairing	-----	-----	32,000
Interest on loan taken for construction of house (PY 2016-17) (Unpaid)	10,000	30,000	35,000
Capitalised Interest	1,00,000	1,50,000	----
Year of Completion of construction	2013-14	2007-08	2007-08
Purpose of use	Let out for	Let out for	For self

	residence	business	residence
--	-----------	----------	-----------

OR

Q-4

Mr. Ashok has three houses owned by him. The following information of [15]  
houses for the year ended 31-03-17:

Particulars	House (Shiv) (Rs.)	House (Shankar) (Rs.)	House (Shambhu) (Rs.)
Purpose of use	Let out	Self occupied	Self Occupied
Fair Rent -annual	1,15,000	1,80,000	60,000
Standard Rent-Annual	1,00,000	----	----
Municipal Taxes (Paid) (@10% of Annual Value as per municipal records)	12,000	8,000	4,000
Insurance Premium	6,000	5,000	5,000
Loan Taken for repairing (@ 10% of Interest (loan taken on 01-04-16)	2,00,000	3,20,000	1,31,000
Interest on loan taken for Payment of Municipal Taxes	1,500	1,000	1,000
Rent Collection Charges	3,000	----	----
Year of Completion of Construction	2010-11	2010-11	2010-11

Additional Information:

1. House- Shiv (which consists of two different units) was rented to two tenants. Monthly rent of Unit-1 was Rs. 4,000 and Monthly rent of unit-2 was Rs. 4,500.
  2. The tenant of unit-1 has vacated the house on 28-2-2017. This unit remained vacant thereafter.
  3. The tenant of unit-2 has vacated the unit on 31-01-2017 without paying one month rent. This unit remained vacant thereafter.
- Calculate the taxable income from house property for A.Y. 2017-18.

*All the Best*

— + —  
(3)