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No. of printed pages: 3

SARDAR PATEL UNIVERSITY
B. B. A. (General) (VI Semester) Examination
1st April 2016 (Friday)
10.30 am – 12.30 pm
UM06CBBA04 – BUSINESS TAXATION - II

Total Marks : 60

Note: Figures to the right indicate full marks of the question.

- Q. 1 Mr. ANSHUL furnished the following Profit & Loss Account for the year ended on 31-03-2015. (15)

Profit & Loss Account			
Dr.		Cr.	
Particulars	₹	Particulars	₹
To Staff Salary	150000	By Gross Profit	700000
To Employee's insurance premium	10000	By Sundry incomes	30000
To Rent & Taxes	80000	By Gift from customers	10000
To Office Expenses	100000	By Gambling income	50000
To Bad Debts Reserve	20000	By Bad debts recovered (30% disallowed as bad debts in past)	60000
To Bad Debts	60000	By Profit on Sale of Plant	10000
To Sundry Expenses	150000	By Income Tax Refund	30000
To Loss of Gambling	10000	By Discount	10000
To Income Tax	20000		
To Audit Fees - Paid	15000		
- Unpaid	5000		
To Drawing	90000		
To Interest	60000		
Net Profit	130000		
	900000		900000

Additional Information:

- (1) During the financial year sales was recorded by ₹ 35,00,000/-.
 - (2) During the year he taken goods for the personal use of ₹ 60,000/- (sales price) which included in a sales.
 - (3) On 1st July, 2014 he acquired copyright for ₹ 1,00,000/- which was included in a sundry expenses.
 - (4) He paid interest on loan for self residence ₹ 60,000/- included in interest.
 - (5) Income tax officer do not allowed ₹ 40,000/- as bad debts.
 - (6) Unpaid rent of ₹ 30,000/- included in a rent & taxes.
 - (7) Office expenses ₹ 40,000/- was paid by single bearer cheque.
- Calculate his taxable income from Business – Profession for the Assessment Year 2015-2016.

OR

- Q. 2 Mr. KILLOL sold his residential house on 01-06-2014 for ₹ 80,00,000/-. He paid 5% brokerage of sale. Other details about residential house was as under: (15)

- (1) House was constructed by his father during the year 1980 for ₹ 21,000/-.
- (2) Additional construction completed by his father during the year 1984-1985 for ₹ 12,500/-.
- (3) During the year 2004-2005 he spent ₹ 7,20,000/- for the additional construction.
- (4) On 06-12-2001 his father gifted house to Mr. KILLOL. At that time it's market value was ₹ 28,00,000/-.
- (5) Fair market value of the house as on 01-04-1981 was ₹ 22,000/-.
- (6) On 22-12-2005 he made a contract for sale for ₹ 40,00,000/- and received ₹ 1,50,000/- as signing amount. But purchaser do not completed a contract so received advance was forfeited.

After a sale of residential house he purchased new residential house for ₹ 31,00,000/- and invested ₹ 5,00,000/- in a 3 year NHAI Bonds.

Relevant Index Numbers:

1981-1982 : 100	1984-1985 : 125	2001-2002 : 426
2004-2005 : 480	2005-2006 : 497	2014-2015 : 1024

Calculate his taxable Capital Gain for the Assessment Year 2015-2016.

- Q. 3 Mr. MOHAN held the following investments on 31-03-2015. (15)

- (1) ₹ 60,000/- – 12% unlisted tax-free debentures.
- (2) ₹ 50,000/- – 10% Gujarat Government loan.
- (3) ₹ 30,000/- – 13.5% listed tax-free debentures.
- (4) ₹ 25,000/- – 14% less tax listed debentures.
- (5) ₹ 35,000/- – 7% Treasury Savings Certificate.
- (6) ₹ 20,000/- – 14% unlisted tax-free debentures.

On above investments interest is due on each 1st January & 1st July. On 15-11-2014 he was sold ₹ 20,000/- 13.5% listed tax-free debentures at 10% premium & same day he purchased ₹ 40,000/- 12% unlisted tax-free debentures at 5% discount for that required amount taken from the bank @ 12%. He paid 2% of the gross interest as collection charges.

Calculate his taxable income from other sources for the Assessment Year 2015-2016.

OR

- Q. 3 Write short notes: (15)

- (1) Section 80C
- (2) Section 80G

- Q. 4 Write short notes: (15)

- (1) Domestic Company
- (2) Computation of Tax Liability of Company

OR

- Q. 4 Write short notes: (15)

- (1) Minimum Alternate Tax
- (2) Carry forward and set-off of tax credit



- Q. 1 Mr. KIRTAN who is doctor, he furnished the following Receipts & Payments for the year ended on 31-03-2015. (15)

Receipts	Amount (₹)	Payments	Amount (₹)
To Opening Balance	60000	By Hospital rent	140000
To Consultation fees	140000	By Insurance Premium	20000
To Operation Charges	400000	By Hospital Exp.	170000
To Operation Theater Rent	70000	By Staff salary	200000
To Sale of medicine	80000	By Income tax	40000
To Income tax refund	30000	By Donation	30000
To House rent	30000	By Drawing	100000
To Interest on Bank Deposit	30000	By Sundry Expenses	60000
To Sundry incomes	40000	By Audit Fees	20000
		By Closing Balance	100000
	880000		880000

Additional Information:

- (1) On 01-04-2014 W. D. V. of the motor car was ₹ 4,00,000/- rate of depreciation is 20% on it.
 - (2) Motor car expenses ₹ 80,000/- was included in a hospital expenses. 60% use of motor car is for the personal purpose.
 - (3) Purchases of medicine ₹ 70,000/- included in a drawing.
 - (4) Opening & closing stock of medicine was ₹ 20,000/- & ₹ 40,000/- respectively.
 - (5) LIC premium ₹ 15,000/- included in a insurance premium.
 - (6) He paid hospital rent ₹ 20,000/- in advance while salary ₹ 10,000/- remain unpaid at the end of year.
 - (7) Driver salary ₹ 40,000/- included in a staff salary.
 - (8) Admissible depreciation on other assets was ₹ 20,000/-.
- Calculate his taxable income from Business & Profession for the Assessment Year 2015-2016.

- Q. 2 (A) Mr. DARJI transfer his urban area agriculture land on 06-12-2014 for ₹ 65,00,000/-. He paid 5% brokerage on sale. Land was received as gift from his father on 30-08-1996. But his father acquire urban area agriculture land during the year 1981-1982 for ₹ 61,000/-. Sales consideration was received on 01-03-2015 from which he purchased residential flat on 01-07-2015 for ₹ 30,87,500/-. He also deposited ₹ 5,00,000/- in a 3 years NHA Bonds on 18-06-2015. (07)

Relevant Index Numbers:

1981-1982 : 100 1996-1997 : 305 2014-2015 : 1024

Calculate his taxable Capital Gain for the Assessment Year 2015-2016.

- (B) Mr. X transfer his residential house on 01-12-2014 for ₹ 45,00,000/-. (08)
House was purchased on 01-05-2012 for ₹ 30,00,000/- after a sale of jewellery. Jewellery was sold on 01-05-2012 for ₹ 50,00,000/-. Jewellery was purchased by himself during the year 1997-1998 for ₹ 6,62,000/-. After a sale of residential house he purchased another residential house for ₹ 25,00,000/- on 01-03-2015.

Relevant Index Numbers:

1997-1998 : 331 2012-2013 : 852 2014-2015 : 1024

Calculate his taxable Capital Gain for the Assessment Year 2015-2016.

OR

- Q. 2 Mr. KILLOL sold his residential house on 01-06-2014 for ₹ 80,00,000/-. He (15)