

[69/A-47E] Seat No: \_\_\_\_\_

No. of printed pages: 4

**SARDAR PATEL UNIVERSITY**  
**B Com (VI - Semester) Examination**  
**2017**  
**Friday, 31<sup>st</sup> March**  
**2.00 pm - 4.00 pm**  
**UB06CCOM02 - Business Taxation II**

**Total Marks: 60****Note:** Figures to the right indicate full marks of the question.

Q.1 Write short note: (15)

- (1) Permanent Account Number
- (2) Tax Deducted at Source
- (3) Advance Payment of Tax

**OR**

Q.1 Write short note:

- (1) What is the meaning of assessment ? Discuss any two types of assessment. (08)
- (2) Discuss any two types of Income Tax Return. (07)

Q.2 Shri TAILOR furnished the following Profit &amp; Loss A/c for the year ending on 31-3-16. (15)

**Profit & Loss Account**

Dr		Cr	
Particulars	Rs.	Particulars	Rs.
To Rent & Taxes paid 120000		By Gross profit	860000
Add:     upaid <u>40000</u>	160000	By Income Tax refund	20000
To Interest on loan	70000	By Commission	10000
To Bad debts	50000	By Bad debt recovered (of	
To General Reserve	30000	which 40% allowed as bad	
To Advertisement Exp.	60000	debt in past)	50000
To Depreciation on plants	40000	By Rent received	80000
To Audit Fees	18000	By Profit on speculation	70000
To Income Tax	32000	By Gambling income	30000
To Sundry Exp.	170000	By Interest on investments	60000
To Staff salary paid 250000			
Less: prepaid <u>50000</u>	200000		
To Sales tax paid 10000			
Add: unpaid <u>5000</u>	15000		
To Insurance premium	35000		
To Loss by Fire	10000		
Net Profit	290000		
	<b>1180000</b>		<b>1180000</b>

**Additional information:**

- (1) During the year total sales was recorded by Rs. 4300000. Sales included goods taken for a personal use (sales price) Rs. 300000.
- (2) Municipal taxes of Rs. 5000 for the let out house was included in a paid rent & taxes.
- (3) Bad debts of Rs. 40000 was allowed by the Income Tax Officer.
- (4) On 1-12-15 he acquire copyright of Rs. 120000 which was included in a sundry exp.

- (5) Personal insurance premium of Rs. 30000 was included in a insurance premium.
- (6) Interest on loan for own resident Rs. 40000 was included in a interest on loan.
- (7) As per Income Tax Act admissible depreciation on plants was Rs. 50000.
- (8) Audit fees was paid by the single bearer cheque.
- (9) Bad debts reserve Rs. 30000, worker componsation Rs. 10000. Speculation loss Rs. 20000, discount Rs. 5000, received commission Rs. 20000. Gift from brother Rs. 21000. Sundry income Rs. 25000 was not recorded into above Profit & Loss Account.

Calculate his taxable income from Business Profession for the A.Y. 2016-17.

**OR**

- Q.2 Shri KIRTAN who is C.A. He furnished the following Receipts and Payments Account for the year ending on 31-3-16. (15)

Receipts	Rs.	Payments	Rs.
To Opening balance	80000	By Staff Salary	300000
To Income Tax consultation fees	320000	By stipend to articles	180000
To Sales tax consultation fees	180000	By Office exp.:	
To Audit fees:		For 2014-15	20000
For 2014-15	50000	For 2015-16	130000
For 2015-16	270000	By Sundry exp.	170000
For 2016-17	30000	By Drawing	200000
To Project fees	300000	By Office rent:	
To Gift from clients	50000	For 2015-16	120000
To Interest on investments	40000	For 2016-17	30000
To Profit on sale of investments	60000	By Insurance premium	50000
To House rent	100000	By Donation	20000
	<b>1480000</b>	By Income Tax	60000
		By Purchases of Books	40000
		By Closing balance	160000
			<b>1480000</b>

**Additional information:**

- (1) Membership fees Rs. 5000 and Motor car exp. Rs. 40000 was included in a sundry expenses.
- (2) Driver salary Rs. 30000 was included in a staff salary.
- (3) W.D.V. of the motor car as on 1-4-15 was Rs. 400000. Rate of depreciation on it is 20%. Motor car is used 40% for the personal purpose.
- (4) He deposited Rs. 80000 in to P.P.F. A/c from the drawing.
- (5) Personal insurance premium Rs. 40000 was included in a insurance premium.
- (6) Purchases of computer of Rs. 30000 was included in a sundry expenses.
- (7) As per Income Tax Act admissible depreciation on other assets was Rs. 15000.
- (8) Donation given to the approved trust.
- (9) Project fees Rs. 80000 was not received while staff salary Rs. 60000 was unpaid up to the end of accounting year.

Calculate his taxable income from Business Profession for the A.Y. 2016-17.

Q.3

- (A) Mr X transfer his residential house on 30-8-15 for Rs. 9400000. He paid Rs. 400000 selling expenses. Details about residential house was as per under: (10)

- (a) Ground floor was constructed during the 1-5-90 to 22-2-91 for Rs. 54600.  
 (b) First floor was constructed during the 30-8-05 to 23-3-06 for Rs. 248500.  
 (c) Second floor was constructed during the 1-6-13 to 31-12-13 for Rs. 1800000.

After a sale of residential house he paid construction expenses for the new residential house and deposited amount as per under.

- (1) Construction expenses up to 31-3-16 Rs. 1200000.  
 (2) Construction expenses from 1-4-16 to 31-7-16 Rs. 800000.  
 (3) On 1-5-16 deposited amount in Bank of Baroda for one year Rs. 1500000.  
 (4) On 21-4-16 deposited amount in a 3 years NHAI Bonds Rs. 500000.

**Relevant Index Number:**

1990-91 - 182      2005-06 - 497  
 2013-14 - 939      2015-16 - 1081

Calculate his taxable capital gain for the A.Y. 2016-17.

- (B) Mr. Y transfer his personal use jewellery on 22-2-16 for Rs. 5100000. He paid Rs. 100000 selling expenses. Out of total jewellery 60% jewellery was purchased during the year 2000-2001 for Rs. 121800 and remaining jewellery was purchased during the year 2010-11 for Rs. 355500. Before the sales of jewellery, he purchased residential house on 1-6-15 for Rs. 3000000. (05)

**Relevant Index Number:**

2000-2001 - 406      2010-11 - 711  
 2015-16 - 1081

Calculate the taxable capital gain for the A.Y. 2016-17.

**OR**

Q.3

- (A) Shri PATEL sold his personal use jewellery on 6-12-15 for Rs. 10000000. He paid 5% brokerage. He furnished the following details about jewellery. (10)

- (a) 40% jewellery was received as gift from his father on 30-8-12 on that date its market value was Rs. 2100000. But his father was purchased jewellery on 1-1-90 for Rs. 51120.  
 (b) 30% jewellery was purchased by himself on 1-12-2001 for Rs. 255600.  
 (c) 30% jewellery was purchased by himself on 1-11-13 for Rs. 1800000.

After a sales of jewellery on 1-3-16 he purchased residential house of Rs. 3325000 and invested Rs. 500000 in a 3 years NHAI Bonds on 22-2-16.

**Relevant Index Number:**

1989-90 - 172      2001-02 - 426      2012-13 - 852  
 2013-14 - 939      2015-16 - 1081

Calculate his taxable capital gain for the A.Y. 2016-17.

- (B) Shri Vinod sold his residential house on 20-5-15 for Rs. 6000000. House was purchased on 6-11-13 for Rs. 4000000. House was purchased after a sales of jewellery on 1-5-13 for Rs. 8000000 jewellery was purchased in the year 1981-82 for Rs. 100000. After a sales of residential house on 1-8-15 he invested Rs. 1500000 in a 3 years NHAI Bonds. (05)

**Relevant Index Number:**

1981-82 - 100      2013-14 - 939      2015-16 - 1081  
Calculate his taxable capital gain for the A.Y. 16-17.

Q.4

- (A) Shri Vikesh furnished the following details about his investments. Balances of investments as on 1-4-15. (10)

- (1) Rs. 50000 - 10% Tax free debentures
- (2) Rs. 20000 - 13.5% Listed Tax free debentures
- (3) Rs. 80000 - 14% Listed Company deposit
- (4) Rs. 20000 - 9% Gujarat Govt Loan.

On above investments, interest is due on each 1st January & 1st July. On 15-11-15 he were sold Rs. 30000 - 10% tax free debentures at 10% discount and same day he purchased Rs. 60000 - 13.5% listed tax free debentures at 5% premium. For that required amount he taken from the bank at 12%. Loan was repay after a sales of listed company deposit on 29-2-16. He paid 2% of the gross interest as collection charges.

Calculate his taxable income from other sources for the A.Y. 2016-17.

- (B) Sri PRAVIN furnished the following details about his incomes for the A.Y. 2016-17. (05)

- (1) Lottery prize (Net) Rs. 24500
- (2) Royalty income Rs. 14000
- (3) Family pension monthly Rs. 10000
- (4) Interest received bank deposit Rs. 22500

Calculate his taxable income from other sources for the A.Y. 2016-17.

**OR**

Q.4

- (A) Write short note: (As per VAT) (08)  
(1) Dealer (2) Business

- (B) Discuss the procedure and provision for registration as per VAT. (07)

