

[18/49/A-40-E] Seat No: _____

No. of printed pages: 04

SARDAR PATEL UNIVERSITY
B.Com. (V - Semester) Examination
Thursday, 16th November, 2017
2.00 pm - 4.00 pm
UB05CCOM04 - Business Taxation - I

Total Marks: 60

Note : (1) Figure to the right indicate full marks of the question .
 (2) Show your calculation clearly

Q-1	Define the following terms under Income Tax Act, 1961: 1.) Agricultural income 2.) Dividend 3.) Assessee OR	[15]
Q-1	Write notes on: 1.) Casual Income 2.) Previous year and Assessment year 3.) Person	[15]
Q-2	Discuss the provisions of Income Tax Act, 1961 regarding the following general deduction (i) 80C (ii) 80G (iii) 80D OR	[15]
Q-2	(A) How does the residential status of an individual influence the incidence under Indian Income Tax Act? (B) State any ten incomes fully exempted from tax.	[10] [05]
Q-3	Compute the salary income of a specified employee, Shivam for the previous year relevant to assessment year 2017-18 from the following data made available: 1.) Basic salary: He joined on 1-7-2012 in the grade 10,000-1000-13,000-2500-28,000, the increment falling due on 1 st July every year. 2.) Dearness allowance Rs.85, 000. 3.) Bonus and commission Rs. 16,000. 4.) Entertainment allowance Rs.500. 5.) House servants salary reimbursed by the employer Rs. 14,400. 6.) Free education facility provided to three children in an institution maintained by the employer; cost borne by the company for providing such education is Rs. 39,000 of which	[15]

	<p>Rs. 1500 is recovered from his salary.</p> <p>7.) Concessional lunch facility provided during office hours (cost per dish Rs.100 for 290 days is borne by the company, a token amount of Rs.20 per dish deducted from his salary.</p> <p>8.) A digital camera bought by the company on 15-6-2013 for Rs. 75,000 was provided to him for his personal use and it was ultimately purchased by him on 1-9-2016 for Rs. 22,500.</p> <p>9.) On 1-4-2016 the company has given him a loan of Rs. 10,00,000 for 15 years period @ 7% interest rate for the purpose of house construction. The rate of interest for similar loan given by SBI is 9.45% p.a.</p> <p>10.) On 1-7-2016 a residential flat in Mumbai (owned by company) is provided as rent free accommodation.</p> <p>11.) The company has provided him a motor car (of 1600cc) for his personal as well as company work and the company paid Rs. 84,000 as his maintenance charges including salary of a driver. The car is used for both the purposes.</p> <p>12.) The employer has made recovery of excess commission paid during the year Rs. 2000.</p> <p style="text-align: center;">OR</p>	
Q-3	<p>(A) Shri Harshiv is employed with ABC Ltd. On a basic salary of Rs. 15,000 p.m. He is also entitled to Dearness Allowance @50% of basic salary, 50% of which is included in salary as per terms of employment. The company gives him House Rent Allowance of Rs. 6000p.m which was increased to Rs. 7000 p.m with effect from 1-1-2017. He also gets an increment of Rs. 1500p.m in his basic salary with effect from 1-2-2017. Rent paid by him during the previous year 2016-17 is as under:</p> <p>April & May, 2016 --- Nil, as he stayed with his parents</p> <p>June to October, 2016 -Rs. 6000 p.m for an accommodation in Ghaziabad</p> <p>November, 2016 to March 2017 - Rs. 8000p.m for an accommodation in Delhi</p> <p>Compute his gross salary for A.Y 2017-18.</p> <p>(B) The particulars of income of Mr. Nirav for A.Y 2017-18 are given below:</p> <p>1. He joined the service (in a company at Ahmedabad) from 1-1-2014 in the grade of Rs. 20,000-2000-30000-5000-60000 with two increments. Two additional increments were also sanctioned on 1-1-2016 in appreciation of his special</p>	<p>[07]</p> <p>[08]</p>

- ability.D.A is allowed @ 50% of basic pay.
2. Bonus Rs.36250; Commission Rs. 12000 and an annual entertainment allowance of Rs. 3000 were also paid during the year.
3. A furnished house was provided to him at a concessional rent, whose estimated fair rental value was Rs. 15000p.m The company has provided in the house furniture, refrigerator etc. at a cost of Rs. 100470. A token rent of Rs.550 p.m was deducted from his salary in respect of this perquisite. Ascertain the value of rent-free furnished house.

Q-4 From the following information about the house property owned by Amit, you are required to compute his taxable income from house property for A.Y 2017-18: [15]

Particulars	House I Rs.	House II Rs.	House III Rs.	House IV Rs.
Municipal value	1,80,000	2,80,000	4,00,000	3,80,000
Standard Rent	1,90,000	2,70,000	3,80,000	4,20,000
Fair Rent	2,30,000	3,00,000	4,20,000	4,00,000
Actual rent receivable (of let out period only)	1,98,000	3,45,000	---	---
Vacancy period	1month	1/2month	---	---
Municipal taxes paid by tenant	5,000	18,000	---	---
Municipal taxes paid by Amit	6,000	12,000	15,000	5,000
Rent collection cost	3,000	4,000	---	---
Repair and maintenance	10,000	15,000	25,000	20,000
Year of completion of construction	2012-13	2009-10	2010-11	2005-06
Capitalized interest(total)	1,00,000	1,50,000	2,00,000	1,50,000
Interest for P.Y 2016-17 (unpaid)	10,000	25,000	40,000	50,000
Unrealized rent	36,000	---	---	---
Use of house	Let out for residence	Let out for business	Self occupied	Self occupied

OR			
Q-4	Shri Rajnikant is the owner of three houses. On the basis of the following information, compute his taxable income from house property for the A.Y 2017-18:		
			[15]
Particulars	House I Rs.	House II Rs.	House III Rs.
Use of house	Let out for residence	Let out for business	For self occupied
Municipal valuation (annual)	36,000	90,000	1,20,000
Fair rent (annual)	40,000	84,000	---
Receivable rent (annual)	36,000	72,000	---
Standard rent (annual)	42,000	---	1,40,000
Municipal taxes (paid)	2,000	4,000	4,000
Interest in loan for construction	10,000	---	35,000
Capitalized interest of pre construction period (total)	10,000	---	40,000
Vacancy period	1 month	---	---
Unrealized rent	4,000	---	---
Unreceived rent (yet to be received)	---	6,000	---
Land revenue	2,450	4,000	2,000
Construction completed on	31-3-13	30-6-16	31-3-01

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