

[29/30] Seat No: \_\_\_\_\_



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# SARDAR PATEL UNIVERSITY

Bachelor of Commerce (Semester –V) Examination - 2022

UB05CCOM51/21: Business Taxation - I

Date: 11<sup>th</sup> November, 2022, Friday,

Time 10:00 A.M. to 01:00 P.M.

Total: 70 Marks

Instructions: (1) Figures to the right indicate full marks of questions.

(2) Show the necessary calculations as a part of your answer.

Que. 1 Define the following terms as per The Income Tax Act, 1961

(18)

1. Assessment Year and Previous Year
2. Person
3. Agriculture Income

OR

Que. 1 Define the following terms as per The Income Tax Act, 1961

(18)

1. Assessee
2. Casual Income
3. Dividend

Que. 2 (A) Determine the residential status of Shri Anurag for the previous year 2021-22

(17)

from the details given below.

Previous Year

Presence in Canada

(Number of Days)

2014-15	127
2015-16	200
2016-17	300
2017-18	55
2018-19	80
2019-20	257
2020-21	275
2021-22	290

Que. 2 (B) Write short note on Exempted Incomes. (Any Eight)

OR

Que. 2 Explain:

(17)

- (1) Incidence of Tax.
- (2) Section 80C: Deduction on Investments and Section 80G: Deduction on Donation.

Que. 3 Shri Suryakumar is a specified employed in a company of Vadodra. Calculate his (18)

Net Taxable Salary for the previous year 2021-22 from the following information.

1. Basic Salary: He had joined the company on 01-07-2017 with the grade of 15,000-1,500-19,500-3,500-35,000. He receives his increment every year on 1<sup>st</sup> July.
2. Dearness Allowance: 40% of Basic Salary.
3. Bonus Rs. 18,000.
4. Commission (Annual) Rs. 6,000.
5. Entertainment Allowance per month Rs. 1,200.
6. Education Allowance (for 1 child) per month Rs. 500.
7. Concessional lunch facility provided during the office hours (cost per dish Rs. 150 for 150 days is borne by the company). A token amount of Rs. 30 per dish is deducted from his salary.
8. Company's contribution to Recognised Provident Fund 14% of Basic Salary. Employee contributes to Recognised Provident Fund at the same rate.
9. Interest credited to Recognised Provident Fund is Rs. 9,500 at the rate of 9.5%.
10. The company has provided him a Chauffeur Motor Car of 1.5 litres for office and personal purpose. All expenses are met by employee.
11. The employer has provided him a Flat for which the employer pays a rent of Rs. 15,000 p. m. The employer has spent Rs. 3,00,000 on its furnishing. The company has made deduction at 10% of his Basic Salary for the said perquisite.
12. During the previous year Shri Suryakumar has made following payments.
  - (i) Professional Tax Rs. 200 p.m.,
  - (ii) Investment in Public Provident Fund (PPF) Rs. 50,000.
  - (iii) Life Insurance Premium Rs. 10,000.
  - (iv) Fixed Deposits in State Bank of India Rs. 25,000.

OR

Que. 3 Shri Dhanabhai Patni performs his duties as a Manager in a company of

(18)

Dhagadhra.

Find out his Net Taxable Salary for the Assessment Year 2022-23 from the particulars given below.

1. Basic Salary Rs. 6,00,000 p.a.
2. Dearness Allowance 50% of Basic Salary
3. Bonus Rs. 40,000.
4. City Compensatory Allowance Rs. 1,200 p.m.
5. Conveyance Allowance Rs. 1,600 p.m.
6. Education Allowance (for 3 children) Rs. 8,000 p.a.
7. Hostel Allowance (for 1 child) Rs. 5,000 p.a.
8. The company has provided him a flat for residential purpose in Dhagadhra. The company has also provided furniture of Rs. 2,00,000 for furnishing. The population of Dhagadhra is more than 25 lakhs. Rs. 1,000 p.m. has been deducted from his salary for the said perquisite.
9. The company has also provided him a Motor Car of 1.8 c.c. The Motor Car is used for both office as well as personal purposes. All expenses including Chauffeur are met by the employer.
10. Employer's contribution to Recognized Provident Fund at 15% of Basic Salary. The Employee also contributes an equal amount.
11. Interest credited to Provident Fund at the rate of 12% p.a. amounted to Rs. 30,240.
12. Concessional Lunch facility provided during office hours (cost per dish Rs. 250, for 200 days) by the company. A token amount of Rs. 50 per dish has been deducted from his salary.
13. During the previous year Shri Dhanabhai Patni has made following payments.
  - (i) Professional Tax Rs. 2,400 p.a.
  - (ii) Life Insurance Premium Rs. 25,000.
  - (iii) Repayment of Home Loan (excluding Interest) Rs. 30,000
  - (iv) Income Tax Rs. 8,000

C.P.T.O.)

Que. 4 Shri Virat owns four houses. Particulars of which are as follows.

(17)

Particulars	House No. 1 (Rs.)	House No. 2 (Rs.)	House No. 3 (Rs.)	House No. 4 (Rs.)
(1) Fair Rent	4,20,000	5,60,000	8,00,000	7,60,000
(2) Municipal Valuation	3,20,000	5,20,000	7,60,000	7,40,000
(3) Standard Rent	3,40,000	5,00,000	7,20,000	8,00,000
(4) Actual Rent Receivable	3,60,000	6,00,000	---	---
(5) Municipal Taxes paid by Owner	20,000	30,000	36,000	12,000
(6) Municipal Taxes paid by Tenant	13,000	17,000	---	---
(7) Repairing Expenses	4,000	7,000	5,000	---
(8) Rent collection charges	11,000	7,500	---	---
(9) Vacancy period	2 months	1 month	---	---
(10) Interest on housing loan for construction (unpaid)	25,000	27,500	---	5,000
(11) Interest on loan during the construction period (Capitalised)	20,000	30,000	40,000	50,000
(12) Date of completion of Construction	2016-17	2013-14	2015-16	2018-19
(13) Nature of Use	Let out for Residence	Let out for Business	Self Occupied	Self Occupied

Calculate his taxable income from house property for the A. Y. 2022-23.

OR

Que. 4 Shri Kamal owns three houses. Particulars of which are as follows.

(17)

Particulars	House No. 1 (Rs.)	House No. 2 (Rs.)	House No. 3 (Rs.)
(1) Fair Rent	1,44,000	39,000	54,000
(2) Municipal Valuation	1,35,000	30,000	60,000
(3) Actual Rent Receivable (monthly)	15,000	3,000	---
(4) Municipal Taxes (paid)	36,000	10%	5,000

(5) Interest on housing loan for construction (unpaid)	6,000	9,000	5,000
(6) Repairing Expenses	5,000	3,000	2,000
(7) Insurance Premium of house	2,000	1,500	2,300
(8) Interest of Pre-construction period (Capitalised)	---	15,000	10,000
(9) Date of completion of Construction	2018-19	2019-20	2018-19
(10) Nature of Use	Let out for Residence	Let out for Business	Self Occupied

The tenant (who was in possession of House No. 1 up to 28/02/2022) has not paid 10 months' rent. He became insolvent. The said house has remained vacant in March, 2022.

Compute the taxable income of Shri Kamal under the head of income from house property for the A. Y. 2022-23.

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