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[A-1]

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**SARDAR PATEL UNIVERSITY**  
**BBA (V Semester) Examination**  
**Saturday, 14<sup>th</sup> March 2015**  
**10.30 am - 12.30 pm**  
**UM05CBBA06 - Business Taxation I**

**Total Marks: 60**

**Note:** (i) Figures to the right indicate marks.  
(ii) Show all necessary workings.

Q.1

(a) Explain the following terms under the Income-tax Act, 1961:

1. Previous Year (05)
2. Assessee (05)

(b) State the rules for determination of residential status of an individual assessee. (05)

**OR**

Q.1

(a) Write short notes on:

1. Agricultural Income (05)
2. Incidence of tax (05)
3. Exempted Incomes (Any Ten) (05)

Q.2

- (a) When a return of income is regarded as defective return? (05)
- (b) State the due dates for filing the returns of income. (05)
- (c) Write note on : Permanent Account Number. (05)

**OR**

Q.2 Write short note on:

1. Due dates of payment of advance tax (05)
2. Best Judgement Assessment (05)
3. Provisions relating to deduction of tax from salary (05)

Q.3 Smt. Krupa is a regular employee of Allichem Ltd., Mumbai. She furnishes (15) the following details for the assessment year 2014-15:

1. Basic salary Rs. 25000 per month.
  2. Dearness allowance 15% of basic salary (which forms part of salary for retirement benefits)
  3. Bonus equivalent to two months basic salary.
  4. She gets child education allowance of Rs. 400 per month for daughter and Rs. 90 per month for son.
  5. She contributes 18% of her salary (basic salary plus dearness allowance) towards recognised provident fund and the employer company contributes the same amount.
  6. She is provided free housing facility which has been taken on rent by the company at Rs. 15000 per month.
  7. The company reimbursed the medical treatment bill of Rs. 30000 of her daughter, who is dependent on her.
  8. Monthly salary of Rs. 2000 of a house keeper is reimbursed by the company.
  9. She is getting telephone allowance of Rs. 1200 per month.
  10. Motor car running and maintenance charges fully paid by employer of Rs. 36000. The motor car is owned and driven by Smt. Krupa. The engine cubic capacity is below 1.6 litres. The motor car is used for both official and personal purposes by the employee.
  11. Gift of computer in February, 2014 which was purchased by the company in May, 2009 for Rs. 80000; since then it was used in company's office.
  12. She is provided free lunch facility during office hours is Rs. 3200, the cost does not exceed Rs. 50 per meal.
  13. The employer company has paid the professional tax of Rs. 2400.
- Find out the salary chargeable to tax for the assessment year 2014-15.

OR

Q.3

- (a) Shri Suresh, a resident of Anand receives Rs. 192000 p.a. as basic salary (08) during the previous year 2013-14. In addition, he gets Rs. 19200 p.a. as dearness allowance forming part of basic salary for computation of all retirement benefits, 7% commission on sales made by him (Sales made by Shri Suresh during the p.y. 2013-14 is Rs. 90000) and Rs. 24000 p.a. as house rent allowance. He, however, pays Rs. 21500 p.a. as house rent.
- Determine the amount of house rent allowance exempt from tax for the assessment year 2014-15.

(b) Shri Kalpesh is employed in AB Ltd. at Mumbai, gives the following particulars of his salary for the previous year 2013-14: (07)

1. Basic salary Rs. 7000 p.m.
2. Dearness Allowance Rs. 3000 p.m.
3. Bonus Rs. 7000.
4. Entertainment allowance Rs. 5000 p.a.
5. He is provided furnished accommodation for which the company charges Rs. 1000 p.m. Original cost of furniture is Rs. 150000 and rent payable by the company for the said house is Rs. 5000 p.m. Find out the Value of residential accommodation for the purpose of inclusion in salary the A.Y. 2014-15.

Q.4 Mr. Sharad is the owner of two house properties, particulars of which are as follows: (15)

Particulars	House - I Rs.	House- II Rs.
Municipal valuation	36000	35000
Fair rent	35000	32000
Standard rent	30000	50000
Annual rent	60000	42000
Municipal taxes paid	4000	5000
Repairs	500	700
Insurance	2000	3000
Unrealised rent for P.Y. 2013-14	1000	8000
Vacant period	2 months	4 months
Loss of account of vacancy	10000	14000
Interest on Capital borrowed by Mortgaging House-I (funds are used for construction of House-II)	14000	-
Use of Property	Let out for residence	Let out for residence

Compute taxable income from house property for the A.Y. 2014-15.

OR

Q.4 Smt. Vishva owns a house property which consists two identical units. (15)  
The municipal value of which is Rs. 140000; whereas the fair rent may be taken Rs. 150000. Unit -I has 60% floor area and Unit-II has 40% floor area.

Unit-I is self-occupied for own residence upto 30-11-2013, which remained vacant for one month and thereafter with effect from 1-1-2014 was let out for Rs. 9000 p.m.

Unit-II was let out for Rs. 6000 p.m. since 2011.

Other particulars of the house property are as under:

Municipal taxes paid Rs. 25000

Fire insurance premium Rs. 3000

Interest on borrowed capital for construction of house Rs. 30000.

Determine her taxable income from house property for the A.Y. 2014-15.

