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SARDAR PATEL UNIVERSITY
BBA (ITM) (3 Years) (SEMESTER - V) (NC) EXAMINATION
10th April, 2018 (Tuesday)
2:00 PM to 4:00 PM
UM05CBBI04 – BUSINESS TAXATION - I

Total Marks: 60

- Note: (1) Figures in the right indicate marks**
(2) Working Notes should be part of answer.

- Q-1** Discuss following Definitions in detail: (15)
 1. Agricultural Income
 2. Previous Year
 3. Assessee

OR

- Q-1 [A]** Discuss rules for Residential Status of an Individual person in detail. (10)
[B] List out any 10 fully exempted incomes under Section 10 of Income Tax Act. (05)
- Q-2 [A]** Give Meaning of Assessment. Discuss any two types of assessment in detail (08)
[B] Short Note on: Tax Deducted at Sources (07)

OR

Write in detail on following:

1. Any two Types of Income Tax Return (06)
 2. Time for filing the Income Tax Return (04)
 3. Permanent Account Number (05)
- Q-3 [A]** Mr. Ishit retired from company on 30-11-2016. He was drawing Rs. 48,000 p.m. as basic salary and 50% of it as Dearness Allowance. He earned sales commission Rs. 16,000 @ 1% of sales up to retirement month. In addition he was getting house rent allowance of Rs. 6,000 p.m. His provided fund contribution is calculated on salary including Dearness Allowance. He is paying house rent of Rs. 10,000 p.m. Determine taxable amount of House Rent Allowance for A. Y. 2017-18. (07)
- [B]** Calculate taxable amount of perquisites for the following: (08)
1. Company paid Rs. 100 per lunch for 200 days on behalf of employee, of which Rs. 30 per lunch is recovered from employee.
 2. Company paid Rs. 20,000 for personal purchase made by employee using credit card provided by company.
 3. Provided with Laptop worth Rs. 67,000 for office as well as personal use.
 4. Medical Expenses of employee's father reimbursed by the company Rs. 26,000.

OR

- Q-3** Yogesh is a director employee of Mumbai based company and he furnishes the following information. Compute his taxable salary income for Assessment Year 2017-18. (15)
1. Basic salary Rs. 60,000 p.m., which was increased by Rs. 5,000 with effect from 1-8-2016.
 2. Dearness Allowance calculated @ 50% of Basic salary.
 3. He withdraws following allowances –
 - Entertainment allowance Rs. 1,500 p.m.
 - Overtime allowance Rs. 2,000 p.m. (from 1-7-2016 to 31-10-2016)
 - Educational allowance Rs. 1,000 p.m. for 3 children.

4. Company provided concessional lunch facility at a token amount of Rs. 30 per lunch for 300 days. Cost per lunch is Rs. 120.
5. Company provided him a motor car of 18 HP for both personal and official use. Company paid Rs. 1,00,000 p.a. for its maintenance.
6. Employer provided him a furnished flat for which company pays rent of Rs. 9,000 p.m. Company has spent Rs. 5,50,000 on its furnishing.
7. The employer and employee both contributes at 14% of basic pay towards his Recognized Provident Fund.
8. Interest Credited to his Provident Fund a/c at 10.5% is Rs. 42,000.
9. Company provided laptop of Rs. 54,000 and Mobile phone of Rs. 30,000 for personal use.
10. Company provided concessional loan of Rs. 2,50,000 @ interest of 7% p.a. to purchase certified pre-owned car. (SBI Lending Rate: 13.2%)
11. The company has paid his life insurance policy premium of Rs. 10,000 and also deposited Rs. 32,000 in his public provided fund.
12. Professional tax paid by him Rs. 2,400 p.a.

Q-4 Ms. Asha is the owner of three houses. On the basis of following information compute her taxable income under the head "Income from House Property" for assessment year 2017-18. (15)

Particulars	House 1	House 2	House 3
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 on 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	-	-
Land Revenue	2,450	4,000	2,000
Construction completed on	31-01-2013	1-04-2016	31-03-2004
Use of House	Let out for residence	Let out for Business	For Self-residence

OR

Q-4 Preethi is the owner of three houses. From the following details, find out the taxable income from house property for the A. Y. 2017-18 (15)

Particulars	House A	House B	House C
Usage	Let-out	Let-out	Self-occupied
Standard Rent	1,68,000	84,000	---
Municipal valuation	1,20,000	60,000	16,00,000
Fair rent	1,92,000	88,800	---
Municipal taxes paid	5%	4%	10%
Rent receivable	2,28,000	96,000	---
Vacancy period	3 months	½ months	---
Unrealized rent	9,500	---	---
Interest on loan for construction	(?)	---	87,580

On 31-12-2011 a loan of Rs. 2,40,000 was taken at the rate of 12% for the construction of House A. The construction was finished on 1-5-2013. Entire loan was repaid on 30-9-2016.

*****X*****