

SARDAR PATEL UNIVERSITY
BBA (VI - Semester) Examination
Tuesday, 3rd April, 2018
10.00 am - 12.00 pm
UM06CBBA04 - Business Taxation - II

Total Marks : 60

Note: Figures to the right indicate full marks of the question.

Q.1 Shri TAILOR furnished the following Profit & Loss Account for the year ended on 31-3-17. (15)

Profit & Loss A/c

Dr		Cr	
Particular	Rs.	Particular	Rs.
To Sundry expenses	240000	By Gross profit	940000
To Staff salary	300000	By Sundry incomes	180000
To Audit fees	20000	By Bad debts recovered	
To Bad debts	50000	(30% disallowed as bad	
To General reserve	20000	debts in past)	60000
To Loss by gambling	30000	By Interest	20000
To Loss on sale of plant	10000	By Rent received	40000
To Rent & Taxes	100000	By Income tax refund	15000
To Depreciation	40000	By Commission	25000
To Income tax	60000		
To Donation	25000		
To Office expenses	105000		
To Sales tax unpaid	10000		
Net profit	270000		
	1280000		1280000

Additional informations :

- (1) Insurance premium Rs. 5000, Bad debts reserve Rs. 15000, Advertisement expenses Rs. 45000, Interest on loan Rs. 30000 was not recorded into above Profit & Loss Account of which advertisement expenses paid in cash.
- (2) Discount received Rs. 20000, profit on sale of shares Rs. 70000 & gift received from customers Rs. 10000 was not recorded into above Profit & Loss account.
- (3) As per Income Tax Act admissible depreciation was Rs. 50000.
- (4) Received lottery prize Rs. 100000 included in a sundry incomes.
- (5) Purchases of plant Rs. 90000 included in a sundry expenses.
- (6) Staff bonus Rs. 30000 included in a staff salary.
- (7) Bad debts Rs. 20000 was not allowed by the I.T. officer.
- (8) Donation given to the Gujarat Govt.

Calculate his taxable income from Business for the A.Y. 2017-2018.

OR

Q.1 Mr. TANUSH who is CA. He furnished the following Receipts & Payments Account for the year ended on 31-3-17. (15)

Dr		Cr	
Receipts	Rs.	Payments	Rs.
To Opening balance	140000	By Office rent	
To Income tax consultation fees		For 2015-16	30000
For 2015-16	50000	For 2016-17	220000
For 2016-17	300000	For 2017-18	20000
To sales tax consultation fees	180000	By Staff salary	290000
To Project fees	400000	By Staipend to articles	50000
To Interest & Dividend	30000	By Sundry expenses	160000
To Rent received	140000	By Office expenses	240000
To Sundry incomes	70000	By Drawing	90000
To Drawing from PPP a/c	200000	By Interest on loan	100000
		By Insurance premium	60000
		By Donation	50000
		By Closing balance	200000
	1510000		1510000

Additional informations:

- (1) Owner's salary Rs. 50000 included in a staff salary
 - (2) Staff salary Rs. 30000 was paid in advanced.
 - (3) Membership fees Rs. 10000, purchases of books Rs. 25000 & Motor car expenses Rs. 50000 included in a sundry expenses.
 - (4) Purchases of laptop Rs. 40000 & driver salary Rs. 50000 included in a office expenses.
 - (5) Personal insurance premium Rs. 30000 & Motor car insurance premium Rs. 20000 included in a insurance premium.
 - (6) Donation given to the Gujarat Govt.
 - (7) W.D.V. of motor car as on 1-4-16 was Rs. 400000. Rate of admisible depreciation is 15%. Motor car use 25% for the personal purpose.
 - (8) Admisible depreciation on other assets was Rs. 25000.
- Calculate his taxable income from Profession for the A.Y. 2017-18.

Q.2 ANSHUL sold his residential house on 6-12-16. for Rs. 7000000. He paid 5% brokerage. He furnished the following details about his residential house. (15)

- (1) House was constructed during the year 1980 for Rs. 50000.
- (2) Fair market value as on 1-4-81 was Rs. 49000.
- (3) First floor was constructed during the year 1995-96 for Rs. 112400.
- (4) Second floor was constructed during the year 2011-12 for Rs. 235500.

After a sale of residential house he spend amount as per under.

- (1) Purchases of land for residential house on 25-12-16 for Rs. 800000.
- (2) Paid construction charges upto 31-3-17 Rs. 500000.
- (3) Paid construction charges from 1-4-17 to 31-3-17 Rs. 900000.
- (4) Deposited amount in a bank on 1-6-17 Rs. 1000000.
- (5) Invested in a 3 years NHAI Bonds on 15-4-17 Rs. 400000

Related Index Numbers:

1981-82 - 100, 1995-96 - 281, 2011-12 - 785, 2016-17 - 1125

Calculate his taxable capital gain for the A.Y. 2017-18.

OR

- Q.2 Mr. KILLOL sold his personal use jewellery on 30-8-16 for Rs. 6200000. (15)
He paid Rs. 200000 brokerage. Out of total jewellery 60% jewellery was purchased by himself on 30-8-95 for Rs. 140500 and remaining jewellery was received as gift from his mother on 4-11-15 on that date it's market value was Rs. 1600000. But his mother was purchased it on 6-12-13 for Rs. 1000000.

After a sale of jewellery he purchased residential house on 1-3-17 for Rs. 2520000 and Rs. 300000 deposited in a 3 years NHA Bonds on 15-2-17.

Related Index Numbers:

1995-96 - 281, 2013-14 - 939, 2015-16 - 1081, 2016-17- 1125

Calculate his taxable capital gain for the A.Y. 2017-18.

- Q.3 PRAVIN who hold the following invesments as on 1-4-16. (15)
- (1) 12% Listed taxfree debentures of Rs. 70000
 - (2) 13.5% Unlisted taxfree debentures of Rs. 30000
 - (3) 11.5% Gujarat Govt. loan of Rs. 40000
 - (4) 12.5% Listed less tax debentures of Rs. 50000
 - (5) 12% Unlisted company deposit of Rs. 20000
 - (6) 15% Taxable debentures of Rs.30000

On above investments interest is due on each 30th June & 31st December. On 15-1-17 he were sold 12% listed taxfree debentures of Rs. 30000 at 10% premium and same date he purchased 13.5% listed taxfree debentures of Rs. 50000 at 20% premium for to purchase required amount taken from the bank at 12% interest which was repay with interest on 15-4-17. He paid 2% of gross interest as collection charges of interest.

Calculate his taxable income from other sources for the A.Y. 2017-18.

OR

- Q.3 Write short note: (15)
- (1) Section - 80 C
 - (2) Section - 80 G

- Q.4 Write short note: (15)
- (1) Indian Company & Domestic Company
 - (2) Carry forward & Set-off tax credit

OR

- Q.4 Write short note: (15)
- (1) Minimum Alternate Tax
 - (2) Computation of Book profit

