

[14/A-2]

SEAT No. _____

SARDAR PATEL UNIVERSITY

No. of Printed Pages : 3

B.B.A. – Sixth Semester Examination

Friday, 29th March 2019, 10-00 A.M. TO 12-00 P.M.

Subject: Business Taxation - II

Subject Code: UM06CBBA04

Total Marks: 60

Note: Figures to the right indicate marks.

Q.1 Shri.Jayant Bhatt of Surat a well known advocate is maintaining his accounts on cash basis. He furnishes the following information for the year ended 31st March 2019 : (15)

Receipts and Payment Account

Receipt	Rs.	Payment	Rs.
TO Balance b/d	120000	By Purchase of office equipments	145000
„ Professional Fees :		„ Motor car expenses	45000
2016-17	15000	„ Office Expenses	175000
2017-18	20000	„ Staff Salaries	300000
2018-19	875000	„ Income Tax Paid	55000
„ Gifts from clients	65000	„ Interest on loan	45000
„ Loan from clients	75000	„ Refund of loan	250000
		„ Contribution to PF	72000
		„ Balance c/f	83000
Total	1170000	Total	1170000

Additional Information :

- (a) Depreciation on car is Rs.15000
- (b) 40 % Car expense is for personal use.
- (c) Outstanding fees amount to Rs.9000
- (d) Depreciation on office equipment is 15%.

Compute taxable income of Shri.Bhatt under the head Profit and Gains of Business or Profession for the assessment year 2019-20.

OR

(1)

(P.T.O)

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Q.1 Shri.Mahadev Patel is cancer surgeon at Rajkot. From the following details for year ending 31/3/2019 of his cash receipt and payment , you are required to prepare statement showing his taxable business income for the A.Y. 2019-20. (15)

Receipts and Payment Account

Receipt	Rs.	Payment	Rs.
TO Opening Cash	50000	By Expenses on operation theatre	535000
„Operation Fees	1200000	„Purchase of Sonography machine	125000
„Salary from Expert Lecture	25000	„Motor car expenses	45000
„Sale of Debentures(on 30/6/18)	45000	„Life insurance premium	2300
„ Bank Interest	59000	„Sons' Birthday Expenses	15600
„Dividend	25000	„Advance I.T.	50000
„Loan from bank	240000	„Household expenses	120000
„Cash gift on sons' birthday	45000	„Closing Cash Balance	796100
Total	1689000	Total	1689000

Additional Information :

(a) Depreciation on car is Rs.10000 and on Sonography Machine is 25000.

(b) 20 % Car expense is for personal use.

(c) Unrecorded operation fees Rs.45000

(d) Bank loan was utilized for the marriage of his friend.

Q.2 On 13/11/2017 Shri.Paresh Vyas has sold his self –residential house for Rs.2865000. Transfer charges/Brokerage paid amounts to Rs.35000. He had bought this house in 1986-87 for Rs.356000 and had incurred Rs.125000 in 1990-91 for additional construction made.

On 1/3/2018 ,Rs.1100000 was invested in 3 years bonds of National Highways Authority of India by him.

Relevant cost inflation indices are as under:

1986-87 :140,1990-91 : 182 and 2017-18 : 272

Determine the taxability of capital gain for the assessment year 2018-19. (15)

OR

Q.2 On 23/9/2017 Smt.Falguni (an ordinary resident and Indian citizen) has sold his personal jewellery for Rs.3845000 and incurred Rs.60000 as valuation charges in connection with its sales. The original cost of jewellery , bought in 1989-90 was Rs.1200000.

On 11/2/2018 ,Rs.9500000 was invested in 3 years bonds of Rural Electrification Corporation Ltd.

Relevant cost inflation indices are as under:

(2)

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1989-90 :172 and 2017-18 : 272

Determine the taxability of capital gain for the assessment year 2018-19. (15)

Q.3 Explain deduction from gross total income in respect of payment under section 80C and 80D. (15)

OR

Q.3 Shri.Pankaj Shah has furnished the following particulars of his investments for the year ending 31st March,2019.

a..Rs.250000 8% Municipal Bonds

b..Rs.255000 9% Tax free securities of Govt. of India

c..Rs.15000 6% Port Trust Bonds

d..Rs.150000 11% Tax free debenture of NTPC Ltd(TDS @ 20 %)

E..10000 6.5% Treasury Savings Deposit Certificate

f..Rs.13000 10% Preference Share of GSFC

g..Rs.70000 12% Tax free debentures of a GMDC Ltd listed on recognized stock exchange in India (TDS at 10 %)

He took a loan for purchasing tax-free securities of Govt. of India and paid interest of Rs.11000. He also paid Rs.6000 interest on loan for purchasing debentures of NTPC Ltd. He paid Rs.450 bank commission for collection of interest and Rs.300 for collection of dividend.

Compute the taxable income for the A.Y. 2019-20 under the head income from other sources. (15)

Q.4 Explain : Definition of

a..Company ...(5)

b..Indian Company..(5)

c..Domestic Company..(5)

OR

Q.4 Discuss : Computation of Book Profit ,Carry forward and set off tax credit under MAT...(15)

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(3)

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