

[A-31-Eng.] Seat No.: _____

No. of printed pages: 3

SARDAR PATEL UNIVERSITY
B. Com. (VI Semester) (NC – 2010 Batch) Examination
2nd May 2016 (Monday)
2.30 pm – 4.30 pm
UB06CCOM04/12 : BUSINESS TAXATION - II

Total Marks : 60

Note: (1) Figures to the right indicate marks.
 (2) Show all necessary workings.

- Q. 1 Write short notes on:
 (1) Permanent Account Number (08)
 (2) Advance Payment of Tax (07)

OR

- Q. 1 Write short notes on:
 (1) Tax Deducted at Source (10)
 (2) Time Limit for Filing Return (05)

- Q. 2 Smt. Priyamvada furnishes the following particulars of her income relevant for the A. Y. 2015-2016: (15)

Profit and Loss Account for the year ended 31-03-2015

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Salary to staff	231000	By Gross Profit	500000
To Life Insurance Premium	8000	By Income tax refund	5000
To Bad debts	5000	By Dividend	11000
To Bad debts reserve	5000	By Rent of house property	15000
To Interest on capital	9000	By Lottery Prize	10000
To Interest on capital borrowed for investment in shares	3000	By Bad debts recovered (30% disallowed earlier)	10000
To Income tax paid	7000	By Commission	20000
To Stationery & Printing	6000		
To Local taxes of let-out house	2000		
To Subscription	3000		
To Theft of furniture	4000		
To Depreciation	12000		
To Dividend collection charges	1000		
To Motor car expenses	15000		
To Donation	10000		
To Net Profit	250000		
	<u>571000</u>		<u>571000</u>

Determine the taxable business income of Smt. Priyamvada for the A. Y. 2015-2016.

OR

- Q. 2 Shree Laxmikant is a Chartered Accountant in practice. He furnishes the following particulars for the accounting year 2014-2015: (15)

Receipts and Payment Account

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance b/d	50000	By Salary to staff	230000
To Income-tax consultation fees	250000	By Office rent	50000
To Sales tax consultation fees	200000	By Stipend to articled clerks	60000
To Audit fees	100000	By Printing and Stationery	25000
To Gift from clients	100000	By Income-tax	30000
To Interest on Bank – Fixed Deposits	70000	By Insurance Premium	10000
To Income tax refund	20000	By Deposit in PPF A/c.	120000
To House rent	60000	By Drawings	75000
	850000	By Travelling expenses	50000
		By Postage expenses	20000
		By Balance c/d	180000
			850000

Additional Information:

- (1) Following transactions were not recorded in the above Receipts and Payment Account:

- (A) Membership fees ₹ 5000/-
 (B) Electricity bills ₹ 30000/-
 (C) Motor car expenses ₹ 50000/-

- (2) The written down value of motor car as on 01-04-2014 was ₹ 500000/-.
 Admissible rate of depreciation is 15%.

- (3) 60% use of motor car is for personal purpose.

Determine taxable professional income of Shree Laxmikant for the A. Y. 2015-2016.

- Q. 3 Mr. Preeth sold his following assets during the year ended 31st March, 2014: (15)

Sr. No.	Name of Asset	Urban Land	Residential House (Only One)	Jewellery	Personal Car
1.	Date of Purchase	1-1-1975	1-1-1997	1-1-1987	1-1-2003
2.	Purchase Price	₹ 9000	₹ 61000	₹ 35000	₹ 50000
3.	Fair market value on 01-04-1981	₹ 15000	---	---	---
4.	Selling Price	₹ 398600	₹ 500000	₹ 300000	₹ 40000
5.	Sales Expenses	₹ 8600	₹ 10000	₹ 1000	₹ 1000
6.	Index Numbers	100	305	140	447

Notes: (1) All the assets are sold during January 2015.

(2) Index number for the accounting year 2014-2015 is 1024.

(3) He purchased a new residential flat for ₹ 270000 on 1-3-2015.

Calculate taxable capital gain of Mr. Preeth for the A. Y. 2015-2016.

OR

Q. 3

- (A) Shri Madhusudan sold his gold for ₹ 9200000/- on 02-01-2015. He acquired his gold on 10-03-1993 for ₹ 105000/-. He incurred expenses on purchase and transfer are ₹ 1000/- and ₹ 2000/- respectively. He makes the following investments: (07)

(1) On 01-03-2015 purchase of NHAH Bonds of ₹ 4600000/-.

(2) On 10-04-2015 purchase of REC Bonds of ₹ 2400000/-.

Index Numbers: 1992-1993 – 223; 2014-2015 – 1024.

Compute taxable capital gain of Shri Madhusudan for the A. Y. 2015-2016.

- (B) Mr. Pratik sold his non-agricultural land on 06-12-2014 for ₹ 7500000/-. He paid selling expenses ₹ 300000/-. 60% land was acquired on 30-08-1986 for ₹ 42000/- and 40% land was acquired on 06-11-2003 for ₹ 192000/-. (08)
- After a sale of land, on 01-03-2015 he acquired residential house property for ₹ 4320000/- and on 15-03-2015 he deposited ₹ 1100000/- in State Bank of India.

Relevant Index Numbers are:

1986-1987 – 140 2003-2004 – 480 2014-2015 – 1024

Find out taxable capital gain of Mr. Pratik for the A. Y. 2015-2016.

Q. 4

- (A) State the deductions available under the head "Income from Other Sources". (07)

- (B) Write short notes on: (08)

(1) Bond Washing Transaction

(2) Fully Exempt Securities

OR

Q. 4

- (A) Explain following terms under VAT Act: (10)

(1) Dealer

(2) Goods

- (B) Under Gujarat VAT Act, on which items the State Government cannot impose tax? (05)

