

BUSINESS TAXATION

MAY - JUNE : 2015

(New Course -129)

Time : 3 Hours] [Maximum Marks : 90 [Minimum Pass Marks : 32

Note : Attempt all the five questions. All Questions carry equal marks.

Unit-I

1. Explain the following terms :

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(i) Previous Year (ii) Assessee (iii) Income

OR

What are the various authorities envisaged in the Indian Income Tax Law and what are their functions?

Unit-II

2. On 1st July, 2013 Ram sold shares of Infosys Ltd. for Rs.4 Lakh and earned a long-term capital gain amounting to Rs.1,50,000. on 1st February, 2014 he purchased a residential house costing Rs.2,40,000 for his own residence. Balance amount Rs.1,60,000 invested in debentures. Find out taxable amount of 'capital gains' for assessment year 2014-2015.

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What deductions are allowed to a businessman in computing profits? Specify the expenses disallowed.

Unit-III

3. (a) Shri Mohan was born in karachi (Pakistan) in 1945. He was been staying in America since 1965. He came to visit India on 1st October, 2013 and returned on 28th March 2014. Determine Shri Mohan residential status for the assessment year 2014-2015.

(b) Mr. 'X' a citizen of India Left India on 6-6-2014 for employment abroad, prior to this date he stayed always in India. During 2011-12 and 12-13 he visited for 145 days. and 165 days respectively. In the previous year 2012-13 he came to India on 7-4-2013 and left on 30-11-2013. Determine his residential status for the assessment year 2014-15.

OR

Explain the provisions regarding set off and carry forward of losses.

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Unit-IV

4. Distinguish between Tax Planning and Tax Evasion. Give suggestions to restrict tax evasion.

OR

Explain the following :

(i) Interoperate dividends

(ii) Bonus shares