

PRSU / DURG BBA 6 SEM QUESTION PAPERS

BUSINESS TAXATION JUN 2017

Time : Three Hours Maximum Marks 90 Minimum Pass Marks : 32

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

Unit-I

1. What is Income Tax ? Describe the history of Income tax in India. What are the basis and procedure of charging income tax ?

OR

Explain the following terms :

(a) Person (b) Previous year (c) Assesses (d) Income (e) Casual Income (f) Assessment year

2 A company appointed Mr. X in Delhi at a package of Rs. 7,00,000 p. a. The company bifurcated Rs. 7,00,000 as under for the payment of salary :

RS

(i)	Basic Salary	3,00,000
(ii)	Travelling Allowance	19,200
(iii)	Reimbursement of medical bills	15,000
(iv)	Special Allowance	1,44,000
(v)	House rent allowance	1,44,000
(vi)	Employees' subscription in R. R F.	36,000
(vii)	Employer's contribution to R. P. F.	36,000
(viii)	Deposit in approved gratuity fund	5,800
		7,00,000

Employer paid house rent Rs. 15,000 p. m. and professional tax Rs. 200 p.m. Compute taxable income from salary.

OR

Mr. X is the owner of two houses, which he uses for his residential purpose. He submits the following information in respect of these houses for the previous year 2016- 2017 :

	House I	House II
	Rs.	Rs.
Municipal value	4,000	10,000
Fair rent	5,000	12,000
Municipal taxes paid	500	1,500
Fire insurance premium	100	200
Interest on loan taken for the construction of the house	3,000	15,000

His other incomes are Rs. 2,50,000. Advise Mr. X which house he should opt. for self occupation concession.

Unit-III

3. Indian citizen Dr. Dinesh (government employee) has the following taxable income for the previous year 2016-17 :

- (i) Income from salary received in foreign country for services rendered in that country Rs. 50,000.
- (ii) Agricultural income from agriculture and situated in Pakistan Rs. 20,000.
- (iii) Dividend (gross) by an Indian company payable outside India Rs. 10,000.
- (iv) Income from transfer of a long-term capital assets situated in India Rs. 20,000.
- (v) Interest earned and received in England from bank deposits there Rs. 5,000.

Compute gross total income of Dr. Dinesh for the assessment year 2017-18, if he is :

- (a) Resident
- (b) Not ordinarily resident
- (c) Non-resident

OR

The following particulars are of taxable income under the various heads of Shri S for the previous year 2016-17.

	Rs.
(i) Income 'from house property	18,000
(ii) Income from the following business :	
(a) Profit from the cloth business	35,000
(b) Loss from sugar business	16,000
(c) Loss from silver business	22,000
(d) Loss from share speculation	15,000
(e) Profit from specified business	70,000

(iii) Income from other sources 60,000

Loss from house property for the assessment. 2016-17 is brought forward Rs. 7,500.

Loss from specified business for the assessment year 2016-17 is brought forward Rs. 1,00,000

Compute gross total income after setting off the losses. Is there any loss which can be carry forward ?

Unit-IV

4. Distinguish between the following :

- (a) Tax planning and Tax avoidance
- (b) Tax planning and Tax evasion
- (c) Tax avoidance and Tax evasion OR

Write short notes on the following :

(a) Tax planning with reference to nature and form of organisation of new concern.

Unit-V

5. Mr. A who is totally blind submits the following information. Compute his total income :

	Rs.
Salary	2,40,000
Rent Received from house (p. m.)	30,000
Short-term capital gain	12,000
Dividend from co-operative society	7,000
Accrued interest on NSC VIII issue	3,000
Deposited in P. P. F.	10,000
Paid Life Insurance Premium	6,000

OR

Describe the different modes of recovery of tax.