

Roll No.

DD-998

Bachelor of Business Administration (Sixth Semester) EXAMINATION, 2020

BUSINESS TAXATION

(129)

Time : Three Hours

Maximum Marks : 90

Minimum Pass Marks : 32

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

1. Define the term 'Income'. Give the meaning of gross total income and total income and distinguish them.

Or

Explain the following :

- (i) Causal income
- (ii) Person
- (iii) Assessment year

2. Shree Shorya is a Chartered Accountant for the accounting year 2017-18. His Cash Book summary is as follow :

Receipts	₹
Balance (1st April, 2017)	20,000
Audit fees	1,82,000
Tax Consultancy Fees	1,28,000
Rent received from House Property	7,500
Commercial security (listed) 1st Aug., 2017	5,400
	3,42,900

Payments	₹
Office salary	47,900
Office rent	6,000
Membership fees	500
Personal expenses	88,500
Income Tax	12,500
Furniture Purchased	5,000
Share Purchased	1,20,000
Life Insurance Premium	2,500
Building repairs	1,100
Municipal Tax	900
Book Purchas for profession	22,000
Balance (31-3-2018)	36,000
	3,42,900

Other Information :

- (i) Office salary includes ₹ 11,900 cook's salary.
- (ii) Rent has been paid upto 31st December, 2017.
- (iii) Audit fees ₹ 15,000 for 2017-18 is still outstanding from clients but advance fees ₹ 10,000 for 2018-19 is included in the amount.
- (iv) Allowed depreciation for professional assets (including books) ₹ 200. Books purchased during the year included annual publications amounting to ₹ 8,000.
- (v) The house property is used in the following manner :
 - (a) 50% portion for self-residence
 - (b) 25% portion is let out
 - (c) 25% portion for his chamber

Compute income from profession for the assessment year 2018-19 if Mr. Shorya keeps his account on :

- (i) Cash basis
- (ii) Mercantile system

Or

Give 15 examples of income from other sources which deductions are allowed in this head.

3. Particulars of taxable income under various heads of Mr. Ranga for the previous year 2017-18 are as under :

	₹
(i) Income from Salary	1,68,000
(ii) Income from House Property	18,000

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(iii) Income from Business :	₹
(a) Profit from cloth business	35,000
(b) Loss from sugar business	66,000
(c) Loss from silver business	82,000
(d) Loss from share speculation	15,000
(iv) Income from other Sources (included income from 1 lottery ₹ 40,000) 60,000.	

Loss from house property for the assessment year 2017-18 (Previous year 2016-17) is brought forward ₹ 7,500. Compute gross total income after setting off the losses. Is there any loss which can be carried forward ?

Or

How is the residential status of an assessee determined for income tax purposes ? Discuss the influence of residence on tax liability.

4. How can an individual reduce his tax liability ? Discuss the recognised methods of tax planning for it.

Or

Distinguish between the following :

- (i) Tax planning and Tax evasion
(ii) Tax planning and Tax management
5. An individual has the following sources of income for the assessment year 2018-19 :

	₹
(i) Gross income from salary	1,20,000
(ii) Income from house property (computed)	34,000
(iii) Income from business	2,14,000
(iv) Interest from bank	₹ 8,000

He has paid Life Insurance Premium of ₹ 28,000 and donated a sum of ₹ 5,000 to an approved institution. Calculate the gross tax liability of the assessee for the assessment year 2018-19.

Or

From the following particulars, compute the total income of Mr. Sagar for A. Y. 2018-19 :

	₹
Rent from Let out House	1,05,000
Income from business	1,18,000
Short-term capital gain	93,250
Long-term capital gain	6,000
Interest on Bank Fixed deposit	68,000
Interest on Savings Bank	12,000
Dividend from Co-operative society	12,000