



B.B.A. Part - II  
**Direct Tax Laws**

P. Pages : 8

Time : Three Hours

Max. Marks : 80

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- Notes : 1. All the questions are compulsory.  
2. All questions carry equal marks.

1. a) Differentiate between capital receipts and revenue receipts. **4**
- b) Which individual can be treated as a Resident and ordinarily resident? **4**
- c) X is a foreign national (Not being a person of Indian origin), came to India for the first time from USA on July 11, 2008. He stayed here for a stretch of 3 years and left for Japan on July 11, 2011. He returned to India on April 10, 2012 and stayed here till August 17, 2012 and went back to USA. He came back to India on January 31, 2015 at 11.59 pm and continued to stay in India thereafter. Determine his residential status for the A.Y. 2015-16. Give Reasons. **4**
- d) What do you mean by Agricultural income? **4**

OR

- e) State the tax liability of an Individual who is Resident but not ordinarily a Resident. **4**
- f) X, an Indian citizen, who is appointed as senior Taxation officer by the Government of Iran, leaves India, for the first time on September 10, 2013 for joining his duties in Iran. During the previous year 2014-15, he comes to India on a visit for 181 days. Determine the residential status of X for the A. Y. 2015-16. **4**
- g) Give a brief note on the tax paid on behalf of nonresidents in respect of other incomes. **4**
- h) Give short note on income received from Dividends and interest on units. **4**
2. a) The W.D.V. of a block of assets consisting of factory building at the beginning of the financial year 2014-15 (p.y.) is ₹ 10,00,000 and the assessee acquires a godown in May 2014 for ₹ 2,00,000 and then sells all the assets in the block in December 2014 for ₹ 9,00,000. Calculate the capital gain or Loss for the A. Y. 2015-16 (U/S 50 (2)). **4**

- b) Write in brief the Procedure of calculating Annual value from House property. 4
- c) Whether following income is taxable under the head "Profits a gains of business". 4
- 1) Rental income in case of a dealer in property.
  - 2) Dividend on shares in the case of a dealer in shares.
- d) Give a brief note on income through winning from lotteries, etc. 4

**OR**

- e) State the items of income from house property which are not liable to tax. 4
- f) X owns a house property. It is used by him throughout the p. y. 2014-15 for his (and his family members) residence. Municipal value of the property is ₹ 1,66,000 where as fair rent is ₹ 1,76,000 and standard rent is ₹ 1,50,000. Following expenses are incurred by X repairs ₹ 20,000, municipal tax ₹ 16,000, insurance ₹ 2,000, interest on capital borrowed to construct the property ₹ 1,36,000, interest on capital borrowed by mortgaging the property for daughter's marriage ₹ 20,000 (In either

case capital is borrowed before April 1, 1999).  
Income of x from business is ₹ 7,10,000. Find out the net annual value and income from house property.

- g) Mr. Prajwal is the owner of 3 houses, which are all let out and are not governed by the Rent Control Act. From the following particulars find out the gross Annual value in each case. 4

Particulars	I ₹	II ₹	III ₹
1) Municipal Value	30,00 0	20,00 0	35,00 0
2) Fair Rent	36,00 0	24,00 0	32,00 0
3) Actual (Defacto) Rent	32,00 0	28,00 0	30,00 0

- h) Enumerate any eight incomes which come under the head income from other sources. 4
3. a) How intersource and interhead adjustments are made? Discuss in detail along with the exceptions. 16

**OR**

- b) Discuss any 4 deductions from gross total income and the facilitation available in tax liability u/s 80. 16

4. a) Mr. Y (University Teacher) provides the following particulars of his income for the previous year ended on 31<sup>st</sup> March, 2015. 16
- i) Basic salary ₹ 18,000 p.m.
  - ii) He owns a house property and the same is let out on a monthly rent of ₹ 1,250. Municipal value of the house is ₹ 12, 000. Municipal Taxes paid by him amounted to ₹ 3000 p.a.
  - iii) He received ₹ 3,000/- dividend on listed shares and interest of ₹ 2,000 on savings bank deposits.
  - iv) He received royalty @ 17% on turnover of books written for university students. The turnover during the previous year was ₹ 4,55,500. Expenses of ₹ 15,792/- were paid in this connection.
  - v) He paid LIP of ₹ 10,000/-
  - vi) He paid following donations : -
    - a) Bangalore Municipal corporation for promotion of family planning ₹ 10,000/-
    - b) Prime Minister's Drought Relief fund ₹ 5, 000/-
    - c) Prime Minister's National Relief fund ₹ 10,000/-
    - d) National defence fund ₹ 2,000/-
- Compute total income of Mr. Y for the A. Y. 2015-16.

b) A domestic company submits the following particulars of its income for the P.Y. ending 31<sup>st</sup> March 2015. **16**

- i) Profits of the business after deduction of donations to approved charitable institution ₹ 4,00,000.
  - ii) Donation to charitable institution by cheque ₹ 50,000.
  - iii) Interest on Govt. securities ₹ 20,000.
  - iv) Dividend from a domestic company (gross) ₹ 60,000.
  - v) Long term capital gain ₹ 1,00,000.
  - vi) Book Profits u/s 115 – JB ₹ 10,00,000.
- During the financial year 2013 – 14, company deposited ₹ 50,000 in IDBI. The company distributed a dividend of ₹ 1,00,000 on 6. 9. 2014. compute taxable income of the company and tax payable by it for the A. Y. 2015 – 16.

5. a) Discuss whether the following are "assets" under wealth tax Act. Give Reasons. **4**

- 1) A commercial multi storeyed building given on Rent by X (Not being held in stock in trade).

- 2) A commercial house property used by a Hindu undivided family for the purpose of carrying on own business.
- b) Discuss the judicial rulings to whom wealth tax Act is applied. **4**
- c) X owns a building at Mumbai. It is used by him for his business purposes upto July 10, 2014. Since July 15, 2014 it is let out to a tenant for residential purposes. Is it an asset for the assessment year 2015-16? **4**
- d) Discuss 'urban land' as an asset for levying wealth tax. **4**

**OR**

- e) State whether the following are "assets" under wealth tax. Give Reasons. **4**
- i) Aircraft used by manufacturing company having turnover of ₹ 400 crores for use by its directors.
- ii) Vacant urban land (on which construction is permissible) owned by a person since 1960.

- f) Illustrate on "cash on hand" as an asset under wealth tax Act for individuals and HUF or any other Person. 4
- g) Write a brief note on 'assets transferred by one spouse to another'. 4
- h) X gifts a house to his wife on April 26, 1968. That day it was chargeable to gift tax in A. Y. 1969-70. Throw light on its inclusion in net wealth with reasons. 4

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