

B.B.A. (Part-II) Examination**DIRECT TAX LAWS**

Time : Three Hours]

[Maximum Marks : 80

Note :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (a) Define assessment year and previous year with example. 4
- (b) How is the residential status of an individual determined ? 4
- (c) Rutwik furnishes the following particulars of his remuneration for the previous year 2015-16 :

(i) Basic salary	12,000 p.m.
(ii) D.A.	1,000 p.m.
(40% of which forms part of salary for retirement benefits)	
(iii) Lunch Allowance	200 p.m.
(iv) Medical Allowance	500 p.m.
(v) C.C.A.	300 p.m.
(vi) Children Education Allowance (per child for 2 children)	230 p.m.

He is provided with a rent-free accommodation in Delhi by Reserve Bank of India. The rent paid by RBI for the accommodation is 7500 p.m. Compute the value of rent free accommodation. 4
- (d) Which are the deductions allowed to an assessee under the head salary ? 4

OR

- (e) Mr. Suresh is getting a pension of Rs. 12,000 p.m. from a company. During the previous year he got his two-third pension commuted and received Rs. 7,38,000. Compute the exempted amount if he also received gratuity. 4

- (f) A company has provided a residential accommodation to an employee. The house is situated in a city where population is less than 10 lakh. From the following information find out the value of perquisite of accommodation : 4

Rs.

- | | |
|-----------------------|----------|
| (i) Fair rental value | 70,000 |
| (ii) Salary p.a. | 6,00,000 |
- (g) Give the rates of tax for a super senior citizen. 4
- (h) Mr. Hilton, a foreign cricketer comes to India for 100 days every year since the financial year 2003-04. Find out his residential status for the assessment year 2016-17. 4

2. (a) Ramesh has a house property in Delhi, its particulars are as under :

Rs.

- | | |
|---|-------------|
| Municipal value | 3,00,000 |
| Standard rent | 3,12,000 |
| Fair rent | 4,12,000 |
| Municipal Tax paid | 50,000 |
| Interest on money borrowed for acquiring the house after 1-4-2013 | 1,60,000 |
| Period of occupation for own residence | 2 months |
| Actual rent for 10 months | 35,000 p.m. |
- Compute the income from house property. 4
- (b) Give the provisions related to the incentive for acquisition and installation of new plant or machinery by manufacturing company as per Sec. 32 AC. 4
- (c) Explain the provisions related to exemption from tax on long-term capital gains as per Sec. 54 F. 4

(d) Calculate income from other sources from the following :

	Rs.
(1) Winning from lottery (gross)	1,00,000
(2) Amount received from race winning (net)	35,000
(3) Gift received :	
(i) Gift from friend	20,000
(ii) From elder brother	1,00,000
(iii) On his marriage	1,40,000
(iv) From his NRI friend	80,000
(v) From another friend	18,000
	4

OR

- (e) When is income from house property not liable to be charged to tax ? 4
- (f) 'X' own the following commercial vehicles :
- (i) 2 light commercial vehicles—one for 9 months and two days and the other for 12 months.
 - (ii) 2 Heavy goods vehicle—one for six months and the other for 8 months and 15 days.
 - (iii) 2 Medium goods vehicles—one for six months and the other for eight months and 15 days.

Compute the income from business if 'X' opts for scheme U/S 44 AE. 4

- (g) Sachin who paid an application money of Rs. 5 per share on 1-3-1994 was allotted 500 shares on 1-5-1994. He paid the first call of Rs. 3 per share on 1-6-1997 and the second call of Rs. 2 per share was paid on 1-5-1998.

Sachin sold all the 500 shares on 1-6-2015 for Rs. 50 per share. The shares were not sold through a recognised Stock Exchange. Compute capital gain. 4

- (h) Enumerate at least 5 income chargeable under the head "Income from other sources". 4

3. (a) Explain the provisions related to carry forward of loss of business specified in Sec. 35 AD. 4
- (b) Explain the provisions regarding deduction U/Sec. 80 EE. 4
- (c) Explain the provisions regarding deduction U/Sec. 80 GG. 4
- (d) Explain the provisions regarding deduction U/Sec. 80 QQB. 4

OR

- (e) Give the provisions regarding deduction U/Sec. 80 C. 4
 - (f) Give the provisions regarding deduction U/Sec. 80 TTA. 4
 - (g) Explain the provisions regarding set off and carry forward of loss from the activity of owning and maintaining race horses. 4
 - (h) Explain the deduction in case of a person with disability. 4
4. (a) Compute the total income of Mr. Kadu a lecturer of a college affiliated to Nagpur University, for the assessment year 2016-17 on the basis of the following particulars :
 - (i) Salary @ Rs. 50,000 p.m.
 - (ii) D.A. @ 50% of salary.
 - (iii) Wardenship allowance @ Rs. 1,500 p.m.
 - (iv) Examinership remuneration from university Rs. 25,400.
 - (v) Royalty from books of artistic nature Rs. 2,73,000.
 - (vi) Income from card games Rs. 6,400.
 - (vii) Winning from lottery (gross) 20,000.
 - (viii) Interest on saving bank deposit 67,000.
 - (ix) Expenses from lottery tickets 10,000.
 - (x) Deposit in RPF 1,22,000.
 - (xi) LIP paid 30,000. 16

OR

- (b) State the essential conditions to be satisfied by a firm to be assessed as firm and to be eligible for deduction of interest, salary etc. to the partners. 16

5. (a) Explain Deemed Assets and Exempted Assets.

16

OR

(b) From the following information compute the net wealth of a Resident :

	Rs.
(i) Self occupied property	4,00,000
(ii) Let out house property for residential purposes for the whole previous year	5,00,000
(iii) Let out house property for residential purpose for eight months and self occupied for four months during the previous year	5,00,000
(iv) Cash in hand	1,70,000
(v) Jewellery for personal use	40,00,000
(vi) Flat in Mumbai used as business office	10,00,000
(vii) Shares in companies	4,00,000
(viii) Motor car for personal use	1,80,000
(ix) Fixed deposit in the name of minor son	2,00,000
(x) Flat in Africa	10,00,000
(xi) Unused land in Delhi acquired on 1-6-2013 and held for industrial purpose	10,00,000
(xii) Loan taken for purchase of Jewellery	10,00,000

16