

NF-101

November-2021

B.B.A., Sem.-V

CC-306 : Direct Tax

Time : 2 Hours]

[Max. Marks : 50

- Instructions :**
- (1) All Questions in Section – I carry equal marks.
 - (2) Attempt any TWO questions in Section – I
 - (3) Question – 5 in Section – II is Compulsory.
 - (4) Attempt any ten questions in Section – II.

Section – I1. (A) Write a short note on : (Any TWO) 10

- (i) Agriculture income
- (ii) Previous Year with exception
- (iii) Casual Income
- (iv) Income exempt from tax

(B) Mr. Kim Taehyung is a foreign citizen visited in India for the first time on 1-8-2014. During previous year also he was remained present in India from 1-9-2020 to 28-2-2021. From the following information, determine the residential status for the A. Y. 2021 -22. 10

P.Y.	No. of days present in India
2014-15	140
2015-16	190
2016-17	200
2017-18	110
2019-20	80

2. (A) Mr. Ram Kapoor is an employee in Silver Star Limited. Find out taxable salary income for the assessment year 2021-22.

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- (1) Basic Salary ₹ 25,000 p.m.
- (2) Dearness Allowance: 50% of basic salary (used for the purpose for retirement benefits).
- (3) Education Allowance (for 2 Children) ₹ 6,000.
- (4) Hostel Allowance ₹ 14,000. For 2 Children.
- (5) Entertainment Allowance ₹ 25,000 p.a.
- (6) Employers contribution to R.P.F. is 14% of salary (in ₹).
- (7) The employer has provided him rent free house in Ahmedabad (owned by the company). The employer has also provided furniture of ₹ 2,40,000. The company has deducted ₹ 500 p.m. from his salary for the said perquisite.
- (8) He has been provided a car of 1.8. c.c. by the company for personal and office use. All maintenance expenses (With driver's salary) are paid by company.
- (9) Lunch provided by company during office hours for which company has charge of ₹ 100 per dish and actual expenses ₹ 200 per dish for 300 days is borne by the company.
- (10) The Company gave him loan of ₹ 10,00,000 at 8.40% annual interest for purchased a motor car on 1-10-2020. (SBI rate on such loan was 9.40% on 1-4-2020)
- (11) Professional Tax paid ₹ 200 p.m.

(B) From the following information calculate taxable House rent allowance of Ms. Agrawal Babli for the A. Y. 2021-22.

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Particular	Calendar year 2020	Calendar year 2021
Basic Salary	15,000p.m.	20,000 p.m.
Dearness Allowance	40% of Basic salary	50% of Basic salary
House Rent Allowance	5,000 p.m.	6,000 p.m.
Actual House Rent Paid	4,000 p.m.	5,000 p.m.

Note : Dearness Allowance is used for Retirement Benefit.

3. (A) Determine taxable income from business from the profit & loss Account and other information of Mr. Anil Khanna for the year ending 31-3-2021.

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Particular	₹	Particular	₹
To Salaries	85,000	By Gross Profit	2,85,000
To Bad debts	5,000	By Bad Debts recovered	9,500
To Bad debt reserve	8,500	By Discount Received	9,000
To Advertisement	11,500	By Interest on Bank F.D.	8,800
To Insurance	12,000	By Profit on sale of furniture	3,400
To Office rent	10,500		
To Motor car expenses	16,000		
To General expenses	3,500		
To Income Tax	10,200		
To Depreciation	8,900		
To Travelling expenses	8,500		
To Municipal tax	12,000		
To Donation	8,000		
To Purchase of new Laptop	28,500		
To Provident Fund Contribution	28,800		
To Net Profit	58,800		
	3,15,700		3,15,700

Additional Information :

- (1) Salary includes ₹ 35,000 paid to his wife. She is working as an accountant.
- (2) 20% of car use for personal purpose.
- (3) Admissible depreciation is ₹ 9,800.
- (4) Half of the use of travelling expense is for personal purpose.
- (5) Municipal tax includes ₹ 5,000 for residential house.
- (6) Previously Bad debt recovered was allowed as bad debt.

Compute the taxable income from Business and profession for the A.Y. 2021-22.

- (B) Dr. Pushpal Patel is a Practicing doctor, furnish his Receipts and Payments Account for the year ended 31-3-2021. Compute his taxable income from profession.

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Receipts	₹	Payments	₹
To Balance b/d	58,000	By Rent of Clinic ✓	12,000
To Consultation Fees	30,000	By Electricity ✓	4,000
To Visiting Fees	60,000	By Hospital Insurance ✓	8,000
To Operation charges	1,20,000	By Household expenses ✓	15,800
To Royalty from article published	12,000	By Surgical Equipment Purchased (1-4-2020) ✓	18,000
To Sale of Medicine	50,000	By Son's college fees ✓	20,000
To Interest on fixed deposit	24,000	By Salary to staff ✓	30,000
To Gift	30,000	By Medical insurance ✓	30,000
		By Gift to wife ✓	34,000
		By Car Expenses	30,000
		By Purchase of Medicine ✓	80,000
		By Balance c/d	1,02,200
	3,84,000		3,84,000

Additional Information :

- (1) 1/3 of the use of car relates to his personal use.
- (2) Opening balance of surgical equipments was ₹ 42,000. The rate of Depreciation on surgical equipment is 25%.
- (3) Opening stock of medicine was ₹ 18,000 and closing was to ₹ 6,000.
- (4) Gift includes ₹ 20,000 from patient in appreciation of his medical service and remaining received from friends.

From the above details find out the total taxable income under the head of "Business and Profession" for the A.Y. 2021-22.

4. (A) From the following information given below, calculate the taxable income from other sources of Mr. Rakesh for the previous year 2020-21.

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Sr. No.	Particulars
1	10% Tax Free listed debenture of ABC Ltd. ₹ 45,000(T.D.S. @ 10%)
2	12% Preference share of Akash Ltd. of ₹ 80,000.
3	Interest on 7% Capital Investment Bond of ₹ 35,550.
4	Family pension received ₹ 42,000.
5	Interest on P.O.S.B. a/c (joint name) ₹ 8,500.
6	Winning from Lotteries (Net) Income ₹ 35,000.
7	Gift received from Father ₹ 20,000.
8	Net Income received on horse-race ₹ 21,000. (TDS @ 30%)
9	Dividend received on equity shares of Indian company ₹ 40,800.
10	Ground Rent Received ₹ 10,500.

He has paid interest of ₹ 500 on bank loan to invest in debenture of ABC Ltd. and also paid ₹ 500 for purchase of lottery ticket.

- (B) Write a short note on : (Any TWO)

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- Gross annual value
- Self-occupied house
- Short-term and long-term capital gain
- Set-off or carry forward of capital loss

Section – II

5. Do as directed (any ten) :

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- (1) The Income of an assessee is classified into the ____ heads.

- (A) 4 (B) 5
(C) 6 (D) 7

- (2) Classify Ahmedabad Municipal Corporation, in context of person

- (A) A Local Authority (B) An Association of person
(C) An artificial Juridical person (D) A Firm

- (3) Classify Gujarat University in context of person.

- (A) A Local Authority (B) An Association of person
(C) An artificial Juridical person (D) A Firm

- (4) Income tax Act, 1961 which came into force from _____.
- (A) 1/1/1961 (B) 1/4/1961
(C) 1/1/1962 (D) 1/4/1962
- (5) What basis is take for income tax liabilities ?
- (A) Citizenship (B) Residential Status
(C) Sources of income (D) None of these
- (6) CBDT stands for _____.
- (A) Central Bureau of Direct Taxes
(B) Citizen's Board of Direct Taxes
(C) Citizen's Bureau of Direct Taxes
(D) Central Board of Direct Taxes
- (7) Commuted pension received by non-government employee who has also received gratuity upto _____ of the total commutable pension is exempted.
- (A) One half (B) One third
(C) One fourth (D) One fifth
- (8) ___% of BABC is considered for the Accommodation provided by company in Mumbai.
- (A) 5 (B) 7.5
(C) 10 (D) 15
- (9) Lunch facility is provided by company is :
- (A) Fully Exempted (B) Fully taxable
(C) Exempted up to ₹ 50 per meal (D) Exempted up to ₹ 100 per meal
- (10) Children education Allowance is exempt from tax to the extent of ₹ _____ p.m. per child up to a maximum of two children.
- (A) ₹ 100 p.m. (B) ₹ 300 p.m.
(C) ₹ 500 p.m. (D) ₹ 1,000 p.m.
- (11) The holding period for an Immovable property to consider it as a Long Term Capital Asset is _____.
- (A) 12 Months (B) 24 Months
(C) 36 Months (D) 48 Months
- (12) There are _____ types of Provident Fund.
- (A) 1 (B) 2
(C) 3 (D) 4

- (13) Maximum deduction allowed under section 80(C) is.
- (A) 1,50,000 (B) 2,50,000
(C) 2,60,000 (D) 3,00,000
- (14) Which of the following is business income ?
- (A) Discount Received (B) Bank Interest received
(C) Dividend Received (D) Income tax return
- (15) Which of the following incomes are considered as "Income from profession": for Dr. Abhishek Malhotra ?
- (A) Gift from Friend (B) Gift from patient
(C) Gift from sister (D) Gift from uncle
- (16) Sum received under keyman insurance policy is _____ under the head "Profit and gains of business of profession"
- (A) Fully Taxable (B) Fully Exempt
(C) 50% Taxable (D) None of these
- (17) How much standard deduction is allowed from Net Annual Value of House Property ?
- (A) 10% (B) 20%
(C) 30% (D) 40%
- (18) How much Net Annual Value of Self occupied House ?
- (A) As per Municipal Value (B) As per Standard Rent
(C) As per fair rent (D) Zero
- (19) Cost inflation index for the financial year 2021-22 is.
- (A) 272 (B) 289
(C) 317 (D) 324
- (20) Salary received by a Member of Parliament is taxable under the head _____.
- (A) Salary (B) Business & Profession
(C) Income from other sources (D) Capital gain
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