

P P SAVANI UNIVERSITY

Fifth Semester of B. Com. Examination

November 2022

SMBC3250 Direct Tax

24.11.2022, Thursday

Time: 09:00 a.m. To 11:30 a.m.

Maximum Marks: 60

Instructions:

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same sheets.
3. Make suitable assumptions and draw neat figures wherever required.
4. Use of simple calculator is allowed.

SECTION - I

- Q - 1 Answer the following Questions (Any Five) [05] CO BTL
- (i) How many heads are there under total income? Name them. 2 1
- (ii) "Who is Person?" 1 1
- (iii) Explain the terms "Direct and Indirect taxes" 1 2
- (iv) What is assessment year? 2 1
- (v) What is Tax Evasion? 1 1
- (vi) What is permanent account number (PAN)? 1 1
- (vii) Who is Non-Resident? 1 1
- Q - 2 What are the different categories of assessee according to their residential status? [10] 1 2

OR

- Q - 2 Write a note on: [10] 1 2
1. Person
 2. Agriculture Income
 3. Previous Year
 4. Assessee
- Q - 3 How do you compute income under the head "Business and profession" [10] 2 3

OR

- Q - 3 Mr. A provides his Profit Loss Account for the year ended 31/03/2020 is as under. Compute his taxable income under the head Income from Business or Profession for the A Y 2020-21. [10] 2 3

Debit		Profit & Loss Account		Credit	
Particular	Rs.	Particular	Rs.		
To Office Salaries	28000	By Gross Profit	34700		
To Fire Insurance	2000	By Discount	2000		
To Staff Welfare Expenses	6000	By Rent of Staff Quarters	6000		
To Repairs to Staff Quarters	3000	By Gain on Race Course	12300		
To Postage & Telegram	2500	By Net Loss	9000		
To General Expenses	9000				
To Printing and Stationery	3000				
To Interest on Capital	4000				
To Rates & Taxes	2000				

To Demurrage	1000		
To Depreciation	2000		
To Loss by fire (stock)	1500		
	64000		64000

Additional Information

1. Rates and taxes include Rs. 800 paid for custom duty and local taxes.
2. General expenses include Rs. 1000 spent for promoting family planning among the employees.
3. Depreciation allowable as per income tax Act amounts to Rs. 1200.
4. Actual bad debts amounted to Rs. 2000 which has not been written off to P & L A/c.
5. Office salaries include Rs. 3000 paid to the proprietor of the business.

- Q - 4** Attempt any one. [05]
- (i) Shane Warne, an Australian cricket player, has been coming to India since 1994-95 every year to play cricket and has been staying here for about 4 months. What will be his residential status for the assessment year 2019-20? 1 4
- (ii) Write short note on agriculture income. 1 2

SECTION - II

- Q - 1** Answer the following Questions (Any Five) [05]
- (i) What do you mean by transfer of capital assets? 3 2
- (ii) What is advance tax? 4 1
- (iii) What do understand by indexed cost of improvement? 3 2
- (iv) What is Long term capital asset? 4 1
- (v) "Profit earned from gambling is included as income" – say True or False 4 4
- (vi) What are the provision regarding set-off of the Speculation losses? 4 4
- (vii) What is Gross total income? 4 1
- Q - 2** Mr. A held the following securities and shares on 31/03/2021. [10] 3 3

1	15 % Debentures of X Co. Ltd.	200000
2	12 % tax free Debentures (listed) of a limited Co. (TDS @ 10 %)	60000
3	14 % Preference shares of X Ltd.	50000
4	10 % tax-free Government securities	30000
5	7 % Municipal Debentures	50000

Rs. 1000 were paid to the bank as commission for collecting the interest and Rs. 50 for preference shares dividend and Rs. 13500 as interest on loan taken to purchase 15 % debentures.
Compute taxable income under the head "Income from other sources" for the AY 2021-22

OR

- Q - 2 (a)** Give the tax slabs as per the current finance bill for individual. [05] 4 3
- Q - 2 (b)** Write Short Note on: Capital gains on transfer of a long term capital assets [05] 3 2

other than a residential house property (Sec 54F).

Q - 3 Discuss the provision of Income Tax Act, 1961 regarding set off of various losses? [10] 4 2

OR

Q - 3 How do you compute income under the head "Capital gain" [10] 3 3

Q - 4 Attempt any one. [05]

(i) From the following particulars of ABC ltd compute the income from capital gain for the A.Y. 2022-23: 3 3

(1) Short term capital loss on sale of silver 2,00,000

(2) Long term capital gain on transfer of a plot of land 4,50,000

(3) Long term capital loss on transfer of house property 1,60,000

(ii) Write any five items under section 80 C of income tax Act, 1961. 4 1

CO : Course Outcome Number

BTL : Blooms Taxonomy Level

Level of Bloom's Revised Taxonomy in Assessment

1: Remember	2: Understand	3: Apply
4: Analyze	5: Evaluate	6: Create
