

Kadi Sarva Vishwa Vidyalaya
ATKT Examination- March, 2014

Date: 14/07/14

BBA SEM - VI

Total marks: 60

Roll No.....

SUB: TAXATION II (BBA 31)

Duration: 03Hours

Q.1. On the basis of following details, prepare a statement of income under the head Profits and Gains of Business and Profession for the financial year 2014-15. (12)

Profit and Loss Account			
Particulars	Amount	Particulars	Amount
By, Purchase of Car (1/1/2015)	800000	To, Gross Profit	5000000
Purchase of Machine (1/9/2014)	1500000	Sale of personal Car	500000
Purchase of Laptop (1/3/2015)	50000	Sale of office Furniture	1200000
Reserves and Provisions	40000	Commission	51000
Income Tax	10000	Income Tax Refund	13200
LIC Premium	20000	Bad Debt Recovered	450000
Gifts from Father	5000		
Net Profit	4789200		
	7214200		7214200

Adjustments:

1. Car is used for personal as well as official purpose in the ratio of 2:1. Rate of depreciation for car is 25%.
2. Two machines were purchased on 1/11/2011 for Rs.10, 00,000 each. Rate of depreciation is 20%. Machine purchased during 2013-14 belongs to the same block.
3. Laptop is used for personal purpose. Rate of depreciation is 40%.
4. Sale of personal car includes Rs.80000 as sundry income.
5. Purchase of new machine includes Rs.380000 as salary paid to employees.

Q.2. (A) State the following statements either as true or false. (06)

1. Charity and Donation are not inadmissible expenses.
2. Absorbed depreciation can also be set off against any other business income of the same assessee.
3. Salary paid in advance is inadmissible expense.
4. Short term capital loss cannot be set off.
5. CII does stands for Cost Inflation Index.
6. Any type of business cannot go for straight line method of depreciation.

Q.2. (B) Mr. Mulchandani purchased an agricultural land in urban area during the financial year 2001-02 (CII 426) for Rs.3500000 and sold for Rs.7500000 during 2012-13(CII 852).He invested surplus amount into another agricultural land in rural area within 6 months. Calculate long term capital gains for p.y.2012-13.

(06)

OR

Q.2. (B) Write notes with appropriate calculative examples on: (06)

1. Indexed cost of acquisition
2. Indexed cost of improvement

Q.3. State whether following income shall be taxable or not. (12)

1. Gift received from brother Rs.50,000
2. Dividend received from foreign company Rs.90000
3. Foreign agricultural income received in India Rs. 54000
4. Gift received in cash by employer Rs.11000
5. Interest received on savings bank account Rs.800
6. Commission received Rs.1000
7. Gift received from brother's friend Rs.10,000
8. Dividend received from Indian company Rs.8000
9. Indian agricultural income received in India
10. Gift received in cash on marriage Rs.10000
11. Gift received in cash on marriage Rs.11000
12. Interest on debentures of Reliance Power Public Ltd. 9,000

OR

Q.3 (A) Mr. Hitesh received the following income during 2013-14. Calculate his taxability. (12)

1. Rs.5000 as interest in commercial tax-free securities. (Listed)
2. An LED t.v. worth of Rs.100000 as a gift from father in law.
3. Rs.50000 as lottery income.

Q.4 Given is an income expenditure account of a Chartered Accountant Mr.Mishra. Calculate his taxable income under the head Profits and Gains of Business and Profession for the financial year 2013-14. (12)

Expenditure	Amount	Income	Amount
Stationary Expenses	25000	Consultancy Fees	1000000
Salaries	200000	Sale of House Property	4000000
Depreciation	150000	Remuneration as a visiting lecturer	50000
Bad Debt	35000	Gifts on sister's Marriage	14000
Surplus of Income over Expenditure	4754000	Sale of Air Conditioners	100000
	5164000		5164000

Adjustments:

1. Depreciation includes 60000 as salaries paid in advance.
2. Rent of house property received Rs.120500 is unrecorded.
3. Repairing and maintenance expenses are Rs.5000
4. Unrecorded consultation fees is Rs.20000.

OR

Q.4 On the basis of following information calculate depreciation of blocks for the financial year 2013-14. (12)

Asset	Date of Purchase	Amount	Installation Expense	Rate of Depreciation
Machine	1/1/2010	500000	NIL	30%
Plant	1/2/2012	2500000	5%	25%
Plant	1/9/2012	3500000	2%	20%
Machine	1/9/2011	1500000	1%	30%
Building	1/4/2012	10000000	NIL	10%
Building	1/6/2013	20000000	NIL	5%

Q.5 Do as directed. (12)

1. Write an appropriate example with calculation on sec 54 F of capital gains.
2. Write an appropriate example with calculation on sec 54 of capital gains.

OR

Q.5 Do as directed. (12)

1. Write an appropriate example with calculation on sec 54 EC of capital gains.
2. Write an appropriate example with calculation on sec 54 D of capital gains.