



**B. P. COLLEGE OF BUSINESS ADMINISTRATION**  
**(Constituent college of Kadi Sarva Vishwa Vidhyalaya)**  
**MID-SEM Examination- March, 2014**

Date: 10/03/14

**BBA SEM - VI**

Total marks: 60

Roll No.....

SUB: Tax II (BBA 31)

Duration: 03Hours

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Q.1 Calculate following entries under the head Profit and Gains of Business and Profession for the financial year 2013-14. **(12)**

1. Purchased a machine worth of Rs.6000000 on 1-4-2009 on which 20% depreciation is to be calculated.
2. Purchased a car worth of Rs. 2500000 on 1-3-2010 on which 30% depreciation is to be calculated. The car is used for personal as well as official purpose in the ratio of 1:3.
3. Two plants were purchased on 1-8-2011 for Rs.7300000 each. Subsidy is 10% for each. Installation expenses are 5% of Purchase value on which 30% depreciation is to be calculated.
4. Purchased a building worth of Rs.16000000 on 1-4-2012 on which 10% depreciation is to be calculated.
5. Profit and Loss account of 2013-13 shows Rs. 5000000 as Net Profit and 400000 as income not taxable under the head Profit and Gains of Business and Profession.
6. Paid Salaries, Income tax refund, unabsorbed depreciation for 2012-13 have been Rs.200000, Rs.30000 and Rs.120000 respectively.

Q.2 (A) TRUE or FALSE.

**(06)**

1. Block of asset means assets having not only equal rates of depreciation.
2. Possessing rural agricultural land for more than 36 months does not entitle the right to transfer.
3. Taxability of business income gets adversely affected by rectifying error committed about non admissible expenses in profit and loss account.
4. Net value of consideration is not an amount received from the transferor after deducting expenses there of paid by him.
5. Carrying forward unabsorbed depreciation for consequent years does not affect income under the head salary negatively, if earned so.
6. Advance payment of salary and income tax may increase taxability of profit as they both belong to identical genre.

Q.2 (B) Mr. Ganpatray invested Rs.690000 in a house property which he earned on transfer of an agricultural land on 1-2-2014 (CII 939) for Rs.13000000 which he had purchased for Rs.100000 in the year 1976. Calculate taxability of capital gains for the financial year 2013-14.

**(06)**

OR

Q.2 (B) Mr. Bhuvan invested Rs.850000 in a house property which he earned on transfer of an agricultural land on 1-2-2014 (CII 939) for Rs.9000000 which he had purchased for Rs.50000 in the year 1976. Calculate taxability of capital gains for the financial year 2013-14.

**(06)**

Q.3 Calculate taxability of Capital Gains of all three assesses for both the years based on given data. **(12)**

2012-13						
Sr. No.	Mr. Smit		Mr. Hans		Mr. Akki	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
1	400000	-375000	Nil	20000	98000	-80000
2	125000	-30000	Nil	50000	100000	421000
3	Nil	Nil	-1670000	Nil	56900	33000
4	500000	Nil	Nil	Nil	521000	Nil
2013-14						
Sr. No.	Mr. Smit		Mr. Hans		Mr. Akki	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
1	Nil	100000	200000	-10000	Nil	-12000
2	66000	8500	Nil	Nil	-77000	-65000
3	90000	Nil	10000	800000	25000	175000
4	Nil	12000	Nil	150000	50000	Nil

OR

Q.3 State with reasons and respective income head whether following income shall be taxable in the financial year 2013-14 or not. **(12)**

1. Rs.12000 interest received on XYZ Ltd.
2. Gift worth of Rs.50000 received from brother's friend.
3. Rs.600000 received on transfer of house property.
4. Rs.450000 received by computer seller on sale of his own laptop.
5. Rs.10000 received as gifts from patients by a doctor.
6. Rs.60000 received as commission and bad debt recovered in business.

Q.4 Mr.Insaan purchased a piece of land in the area of Ahmedabad on 1-4-2003. Immediately after 6 months he sold it to his friend Mr.Human for Rs.5000000. Mr.Human sold it to his friend Mr. Maanav for Rs.20000000 during 2013-14(CII 939) and invested Rs.1400000 in another piece of commercial land in the area of Surat within 1 year from date of transfer.Calculate taxability of Income for Mr.Human for the financial year 2013-14. **(12)**

OR

Q.4 Mr.Yogi purchased a piece of land in the area of Ahmedabad on 31-3-2003. Immediately after 1 year and 6 months he sold it to his friend Mr.Sadhu for Rs.5000000. Mr.Sadhu sold it to his friend Mr. Saint for Rs.20000000 during 2013-14(CII 939) and invested Rs.3200000 in another piece of commercial land in the area of Surat within 1 year from date of transfer.He also invested Rs.400000 in REC bonds within the same period. Calculate taxability of Income for Mr.Human for the financial year 2013-14. **(12)**

Q.5 Data of Receipt and Payment account of Ms.Hansini, an advocate is as given.Calculate taxability of income for the financial year 2013-14. **(12)**

1. Consultation Fees Rs.400000
2. Gifts from clients Rs. 55000
3. Stationary expenses Rs.7000
4. Purchase of air conditioner Rs.30000
5. Bad Debt Rs.9000
6. Bad Debt recovered Rs.8000
7. Sale of old books Rs.500
8. Repair of office Rs.44000
9. Rate of depreciation for air conditioner 20%%
10. Rent of house property Rs.140000

OR

Q.5 Write notes with computation and examples on the followings: **(12)**

1. Section 54 f of Capital Gains
2. Gifts
3. Grossing Up of Income
4. Admissible Expenditures
5. Set off and Carry forward
6. Deduction under section 80c