

Faculty of Business Management**BBA III-Year, CBCS-VI Semester Regular Examinations –Sep/Oct, 2020****PAPER: ELEMENTS OF DIRECT TAXES**

Time: 2 Hours

Max Marks: 80

I. Answer any FIVE of the following questions (5x16=80 Marks)

1. What do you mean by Direct Tax? Explain Different types of Direct Taxes.
2. Explain the residential status of an individual with suitable examples.
3. Mr. Atin Kumar has the following receipts from his employer:
 - (1) Basic pay Rs. 3,000 p.m.
 - (2) Dearness allowance (D.A.) Rs. 600 p.m.
 - (3) Commission Rs. 6,000 p.a.
 - (4) Motor car for personal use (expenditure met by the employer) Rs.500 p.m
 - (5) House rent allowance Rs. 900 p.m.
 Find out the amount of HRA eligible for exemption to Mr. Atin Kumar assuming that he paid a rent of Rs. 1,000 p.m. for his accommodation at Indore. DA forms part of salary for retirement benefits.

(OR)

4. What is Perquisite? Explain different types of Taxable Perquisites.
5. What is Income from House Property? Explain the Procedure to Calculate Income from House Property.
6. Mr. Mangesh is the owner of a house property in Nagpur. It has been let out for Rs. 90,000 Composite Rent. The tax payable by the owner comes to 10,000 but the landlord has taken an agreement from the tenant stating that the tenant would pay tax directly to the Municipal Authorities. The landlord, however, bears the following expenses on tenant's amenities: -

Water Charges	Rs.1,000
Lift Maintenance	Rs.1,000
Salary of Gardner	Rs. 1,200
Lighting of Stairs	Rs. 800

 The landlord claims the following deductions:

Repairs	Rs.30,000
Land Revenue	Rs.1,000
Collection charges	Rs.2,000

 Legal expenses incurred on purchase of land on which house property is situated Rs. 24, 000. Compute taxable income from house property.
7. What do you mean by Capital Gain? Explain the procedure to calculate capital gain.
8. Arjun Singh is the owner of a business. Following is his P & L A/c for year ended on 31-3-18

Particulars	Rs	Particulars	Rs
Establishment charges	51,110	Gross profit	5,08,700
Rent, rates and taxes	29,000	Interest on Govt. Securities (Gross)	53,500
Sundry expenses	70,500	Rent from property	54,000
House hold expenses	18,800		
Provision for bad debts	12,000		

Loss on sale of motor car (used for private purpose)	18,000		
Insurance premium (including life insurance of Rs.1790 of Arjun Singh)	28,800		
Interest on bank loan	13,800		
Provision for Depreciation	64,000		
Net profit	3,10,200		
Total	6,16,200	Total	6,16,200

Additional information :

- (i) Bad debts written off during the year Rs.6,500
- (ii) Admissible depreciation as per Income tax rules Rs.16,000
- (iii) Compute the Gross total Income of Sri Arjun Singh for the assessment year 2018-19.

9. What are the provisions regarding setoff and carry forward of losses?

10. X (63 years) has the following income during the previous year 2017-18

Salary Income : Rs.6,80,000

Interest on savings bank account with Allahabad Bank : Rs.16,000

Interest of fixed deposit with Canara Bank 40,000

Other particulars given by X are as under -

1. Insurance premium paid to Max Life Insurance (premium paid: Rs. 25,000 under a policy taken on life of X's son. The policy was taken on July 20, 2011 and the sum assured is Rs. 1,80,000).
2. Insurance premium paid to LIC (premium paid: Rs. 22,000 under a policy taken on X's life on April 20, 2012 and the sum assured is Rs. 2,00,000).
3. Health insurance premium paid to National Insurance Co. (premium paid by cheque : Rs. 38,000 on the health insurance of X).
4. Expenditure on preventive health check-up (expenditure incurred in cash Rs.8000 paid to hospital for X)
Compute total income of X for assessment year 2018-19 on the basis of above particulars.
