

Enrollment No: _____

Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2017

Subject Name : Taxation-II

Subject Code : 4CO04TAX1

Branch: B.Com.(English)

Semester : 4

Date : 15/04/2017

Time : 10:30 To 01:30

Marks : 70

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

- Q-1 Attempt the following questions: (14)**
- a** On which of the following values of the machine, depreciation should be calculated? 1
(A) Written down value (B) Purchase Price
(C) Market value (D) None of the above
- b** Long term capital gain is realized if shares of a company are transferred after 1
(A) 12 months of acquisition (B) 18 months of acquisition
(C) 24 months of acquisition (D) 36 months of acquisition
- c** Rent received from a sub-tenant of house property would be treated as income from 1
(A) Business Income (B) Income from other sources
(C) House property Income (D) None of the above
- d** Full form of T.D.S. is..... 1
(A) Tax deduction and source (B) Tax deduction at salary
(C) Tax deduction at source (D) Tax detected at source
- e** Transfer of which type of the following assets does not give rise to capital gain? 1
(A) Residential House (B) Share
(C) Bonds (D) Motorcar
- f** Which of the following works may be included in service tax? 1
(A) Courier Agency (B) Tour Operator
(C) Cable Operator (D) All of the above work
- g** In how many steps, other than company assessee has to pay advance tax? 1
(A) Three (B) Five (C) Four (D) There is no such rule
- h** Full form of C.B.D.T..... 1
(A) Central Board of Direct Taxes
(B) Centre Board of Direct Taxes
(C) Central Board of Direct Tax
(D) Centre Board of Direct Tax
- i** What percentages of service tax were taken in first year? 1
(A) 10% (B) 30% (C) 5% (D) None of these
- j** Dividend declared by Unit Trust of India is..... 1
(A) Fully tax-free (B) Fully taxable



- (C) Partially taxable (D) Partially tax-free
- k Donation to recognized institution is deductible while calculating total income? 1
 (A) Not deductible (B) Deductible
 (C) Can't say (D) None of these
- l) During which year service tax was introduced? 1
 (A) 1997 (B) 1994 (C) 2001 (D) 2011
- n What is the date of payment of first installment of advance tax for other than company assessee? 1
 (A) On or before 15 June (B) On or before 15 September
 (C) On or before 15 December (D) On or before 15 March
- n Which of the following expenses are inadmissible in context to income from business? 1
 (A) Income Tax (B) Sales Tax
 (C) Service Tax (D) None of the above

Attempt any four questions from Q-2 to Q-8

Q-2

Find out taxable income from business and profession from the following Cash Account of Dr. A ending on 31-3-'16 14

Particulars	Rs.	Particulars	Rs.
Opening Balance	50,000	Staff salary	15,00,000
Operation Income	8,00,000	Insurance of Hospital	60,000
Consulting fee	8,00,000	Purchase of Magazine	50,000
Sale of Medicine	80,000	Purchase of Medicine	1,20,000
Hospital Income	6,00,000	Purchase of instrument	3,60,000
Visit fee	100,000	(1-4-15)	
Sale of instrument	20,000	Professional tax	6,000
Gift from patient	30,000	Ambulance expenses	74,000
Salary from Medical Institute	5,20,000	Conference fee	40,000
Dividend	20,000	Motor expenses	80,000
House rent (let-out)	2,40,000	Household expenses	7,20,000
		Income tax	1,70,000
		Closing Balance	-1,20,000
		(Overdraft)	
	32,60,000		32,60,000

Additional Information:

- Staff salary includes Rs.60, 000 salary paid to his wife. Wife does not provide any service.
- ¼ th use of motor is for personal purposes.
- Opening written down value of instrument was Rs.50, 000. Rate of depreciations is 20%

Q-3

Details regarding transactions done by Seeta for the year ended on 31-3-2016 are as under. Find out taxable capital gain. 14

No.	Name of Assets	Date of Purchase	Date of sales	Purchase Price Rs.	Selling Price Rs.	Price on 1-4-81	Index No.
1	Residential Bungalow	1-1-74	31-12-15	40,000	10,04,000	1,00,000	100
2	Diamonds	1-1-05	31-10-15	12,000	59,225	--	480
3	Silver	1-1-85	31-09-15	12,500	1,24,900	--	125
4	Personal Car	1-1-06	01-01-16	45,000	30,000	--	497



5	Residential Flat	1-3-16	--	2,63,500		--	--
---	------------------	--------	----	----------	--	----	----

Index number for the financial year 2015-'16 is 1,081

Q-4 Attempt all questions (14)

(A) From the following information, you are required to compute taxable income of Mr. X under the head Income from Other Sources for the previous year 2015-'16 **10**

	Rs.
1) Interest on Bank Fixed Deposit (Gross)	36,800
2) Interest on 7% Capital Investment Bonds	5,000
3) Interest on Port Trust Bonds	2,500
4) Interest received on 7.5% Debentures of Radha Ltd.(TDS 10%)	9,000
5) Lottery Income (TDS 30%)	17,500
6) Interest on 8% Tax free Debentures of G Ltd. (TDS 20%)	12,000
7) Interest on P.O.S.B A/c (in single name)	4,000

He has paid interest of Rs. 5,000 on bank loan taken for purchasing debentures of Radha Ltd. And Bank commission of Rs 500 was paid for the collection of interest.

(B) From the particulars given below, compute the total admissible depreciation for the assessment year 2016-'17 **4**

- 1) Depreciated value (W.D.V) of Plant and Machinery as on 1-4-2015 Rs. 1,25,000
- 2) Unabsorbed depreciation of the above Plant and Machinery carried forward from the assessment year 2015-'16 Rs.4,500
- 3) Rate of depreciation on Plant and Machinery 30%
- 4) Cost of Plant and Machinery purchased on 1-1-2016 Rs.80, 000.
(The rate applicable to new plant is also 30%)

Q-5 Attempt all questions (14)

(A) Write short note on payment advance tax **7**

(B) Write a note on Settlement Commission **7**

Q-6 Attempt all questions (14)

(A) Explain procedure of service tax **7**

(B) Write any seven expenses allowed under the low **7**

Q-7 Attempt all questions (14)

(A) What is capital gain? Explain its types **7**

(B) Write any seven expenses expressly disallowed **7**

Q-8 Attempt all questions (14)

(A) Explain deduction of tax at source **7**

(B) Write short note on Service tax **7**

