C.U.SHAH UNIVERSITY Summer Examination-2019

Subject Name : Taxation-II

	Subject C	Code : 4CO04TAX2 Branch: B.Com. (English)			
	Semester	: 4 Date : 18/04/2019 Time : 02:30 To 05:30 Marks : 70			
	(2) Ir (3) D	ns: Ise of Programmable calculator & any other electronic instrument is prohibited. Instructions written on main answer book are strictly to be obeyed. Fraw neat diagrams and figures (if necessary) at right places. Inssume suitable data if needed.			
Q-1 Attempt the following questions:a) Which of the tax is deductible from business Income?					
		(A) Professional tax (C) Wealth tax			
		(B) Income tax (D) None of the above			
	b)	Which of the following amount is deductible from business income?	1		
		(A) Interest on loan (C) Interest on capital			
		(B) LIC premium (D) Income tax			
	c)	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					
d) Long term capital gain is realized if an equity share of company is transferred			1		
		after?			
		(A) During 12 months (C) After 24 months			
		(B) After 12 months (D) none of the above			
	e)	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	1		
	f) If net interest received is Rs. 4050 (T.D.S 10%) find out the amount after grossin				
		up of interest			
		(A)Rs.4,500 (B) Rs. 3,645 (C) Rs. 5,000 (D) Rs. 4455			
	g)	What is the date of payment of first installment of advance tax for other than	1		



	company assessee?			
	(A)On or before 15 June		(C) On or before 15 December	
	(B) On or before 15 Septer	mber	(D) On or before 15 March	
h)	Full form of T.D.S is			1
	(A) Tax deduction and sou	irce	(C) Tax deduction at salary	
	(B) Tax deduction at source	ce	(D) Tax deducted at source	
i)	Rent received from a sun tenant of house property would be treated as income			1
	from			
	(A) Business Income		(C) Income from other sources	
	(B) House property Incom	ie	(D) None of the above	
j)	Transfer of which type of the following assets does not give rise to capital gain?			1
	(A) Residential house		(C) Bonds	
	(B) Share		(D) Motor car	
k)	 Dividend declared by company is (A) Fully taxable (C) Party tax free 			1
	(B) Fully tax-free ((D) De	ductible U/s 80L	
l)	Write the full form of STCG			1
m)	Write the full form of LTCG			1
n)	What is long term capital gain	n?		1
nt anv	four questions from Ω_{-2} to Ω_{-2}	-8		

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

Q-2		Attempt all questions	(14)
-	(A)	Explain any seven deductions expressly allowed under the Law	7
	(B)	Give the meaning of capital gain. State types of capital gain	7
Q-3		Attempt all questions	(14)
-	(A)	Determine taxable income under the head of business or profession of shree Shakti	14
		traders for A.Y 2018-19:	

Debit Credit Rs. Rs. 4,000 By Gross profit 2,82,000 Depreciation By Profit from the sale of Salary 75,000 Subscription 1,000 land 14,000 Taxi-Rent 3,500 By Prize from horse race 8,000 By Birthday gift 10,500 Bad debt reserve 1,500 By Bad debt recovered Fitting charge of machine 2,500 2,500 Exps. to raise loan 500 By Bank Interest 1,000 Legal expenses 2,000 5,000 Sales-tax 7,500 Purchase of stationary



	3,18,000	3,18,000
Net profit	2,10,500	
Loss due to theft	5,000	

Additional Information :

- 1) Taxi-rent includes Rs. 1,500 for the travelling expenses of his family.
- 2) 30% of the sales tax debited still unpaid.
- 3) A cycle costing Rs. 1,500 and stock costing Rs. 3,500 are stolen by a worker. This loss is debited to P&L A/c as theft
- 4) The closing stock of un-used stationery is Rs.1,000
- 5) Bad debt recovered includes Rs. 1,500 which is not allowed as bad debt
- 6) Allowable amount of depreciation is Rs. 5,000
- 7) Audit fee Rs. 1,000 is not recorded in the book.

Q-4 Attempt all questions

(A) From the following particulars of shri Radha calculate the taxable income under the 10 heading of 'Capital gains' for the assessment year 2018-'19.

He sold self –residential house for Rs.32,42,200 on 1-8-2017 and paid Rs. 21,190 For brokerage expenses. This house was purchased for Rs. 1,50,000 in 1998-'99.The fair value of this house on 1-4-2001 was 8,00,000. This was the only house owned by him. He has made additional construction cost of Rs. 1,50,000 in the year 2008-'09. On 31-12-2017, he has purchased a new residential house for Rs. 8,50,000.

The related Index Numbers are as under:

Year	Index No.
2001-'02	100
2008-'09	137
2017-'18	272

(B) Explain short term Capital Assets

Q-5 Attempt all questions

(A) Explain classification of securities
(B) Write fully tax free incomes under the head of Income from other sources

Q-6 Attempt all questions

O-7

(A) Explain TDS

(B) Write short note on Advance Payment of Tax

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(14)

7

7

(14)

7

14

(14)

From the following information, compute taxable income under the head of 'Income from other sources' for the financial year 2017-'18.

Rs.1) Dividend received on 10% Preference shares of Indian co.20,0002) Interest earned on fixed deposit with Bank of India18,6003) Interest on 7% Capital Investment Bonds7,0004) Income of rent from sub-tenant12,0005) Net income received on winning from horse-race (T.D.S 30%)1,40,0006) Dividend received on shares of foreign companies8,4007) Interest received on 10% tax free debentures of Rina Ltd.27,000(T.D.S 10%)10%



8) Interest credited in public provident fund account	5,400
9) Received family pension	2,70,000

He has paid interest of Rs.6,500 on bank loan taken for purchasing shares of Indian co. Bank commission of Rs. 600 was paid for the collection of interest

Q-8Attempt all questions(14)(A)Write short note on C.B.D.T7(B)State powers(authorities) of assessing officers7

