

Enrollment No: _____

Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2019

Subject Name : Taxation-II

Subject Code : 4CO04TAX2

Branch: B.Com. (English)

Semester : 4

Date : 18/04/2019

Time : 02:30 To 05:30

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.
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- Q-1 Attempt the following questions: (14)**
- a) Which of the tax is deductible from business Income? 1
(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 after? 1
(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
 - f) If net interest received is Rs. 4050 (T.D.S 10%) find out the amount after grossing up of interest 1
(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 September (D) On or before 15 March

- h)** Full form of T.D.S is..... 1
 (A) Tax deduction and source (C) Tax deduction at salary
 (B) Tax deduction at source (D) Tax deducted at source
- i)** Rent received from a sun tenant of house property would be treated as income from..... 1
 (A) Business Income (C) Income from other sources
 (B) House property Income (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 1
 (A) Fully taxable (C) Party tax free
 (B) Fully tax-free (D) Deductible 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? 1

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 traders for A.Y 2018-19 : 14

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



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

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 (14)

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

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 **4**

Q-5 Attempt all questions (14)

(A) Explain classification of securities **7**

(B) Write fully tax free incomes under the head of Income from other sources **7**

Q-6 Attempt all questions (14)

(A) Explain TDS **7**

(B) Write short note on Advance Payment of Tax **7**

Q-7

From the following information , compute taxable income under the head of 'Income from other sources' for the financial year 2017-'18. **14**

| | Rs. |
|--|----------|
| 1) Dividend received on 10% Preference shares of Indian co. | 20,000 |
| 2) Interest earned on fixed deposit with Bank of India | 18,600 |
| 3) Interest on 7% Capital Investment Bonds | 7,000 |
| 4) Income of rent from sub-tenant | 12,000 |
| 5) Net income received on winning from horse-race (T.D.S 30%) | 1,40,000 |
| 6) Dividend received on shares of foreign companies | 8,400 |
| 7) Interest received on 10% tax free debentures of Rina Ltd. (T.D.S 10%) | 27,000 |



| | |
|---|----------|
| 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-8 | Attempt all questions | (14) |
| (A) | Write short note on C.B.D.T | 7 |
| (B) | State powers(authorities) of assessing officers | 7 |

