

Enrollment No: _____

Exam Seat No: _____

C. U. SHAH UNIVERSITY

Winter Examination-2021

Subject Name : Taxation-I

Subject Code : 4CO03TAX2

Branch: B.Com (English)

Semester: 3

Date: 15/12/2021

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) Health and education cess is chargeable only in case of: 1
(A) An individual assessee.
(B) Individual assessee and Hindu undivided family
(C) A company assessee.
(D) All assessees
- b) The rate of health and education cess is: 1
(A) 5%(B) 4% (C) 3%(D) 2%
- c) When did India's first income tax act come into being? 1
(A) 1860(B) 1910(C) 1922 (D) 1880
- d) Which of the following is treated as direct tax? 1
(A) Service tax(B) Excise duty (C) Income tax (D) Custom duty
- e) What is regarded as the first authoritative text on public finance? 1
(A) Manusmriti(B)Arthashastra. (C)Raghuvansh(D) Upnishad
- f) Every assessee is a person, but every person is not an assessee 1
(A) True(B) False (C) Partly true(D) Can't say
- g) Pension received by government employee is _____ 1
(A) Fully tax-free(B) Taxable as salary income
(C) Taxable as income from other sources. (D) None of the above
- h) _____Sections for income from house property 1
(A) Sections 22 to 27 (B) Section 15 to 17
(C) Section 12 to 15(D) section 56 to 59
- i) Employer's contribution to a recognized provident fund in excess of _____percent of salary is included in the salary income of the employee 1
(A) 10 (B) 11(C) 12(D) 13
- j) Free lunch provided to employees by the employer is _____ 1
(A) Tax free upto Rs.20 (B) Tax free upto Rs.40
(C) Tax-free upto Rs.50. (D) Tax free upto Rs.60



- k) Full form of PPF_____ 1
 (A) Public Provident fund (B) Public provident finance
 (C) Personal provident finance (D) None of the above
- l) Write the full form of PAN 1
 (A) Personal Account number (B) Permanent account number
 (C) postal account number. (D) Public account number
- m) Section 80G is related with_____ 1
 (A) Donation (B) loan (C) Mediclaim (D) none of the above
- n) In perquisites of accommodation_____ is not considered in BABC 1
 calculation
 (A) Bonus(B) Dearness allowance
 (C) Commission (D) Taxable allowances

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

Q-2 Attempt all questions (14)

- (A) From the following information find out the residential status of Meena 7
 for the assessment year 2020-21:
- | Financial year | Number of days |
|----------------|----------------|
| 2015 -16 | 230 |
| 2016 -17 | 155 |
| 2017 -18 | 365 |
| 2018 -19 | - |
| 2019 -20 | 65 |
- (B) Shri Rajesh Nanavati of Ahmedabad gets annual basic salary of Rs. 7
 6,00,000 and dearness allowance of Rs.1,50,000 p.a., which is to be included in the salary for the purpose of provident fund purposes. He also gets house rent allowance of Rs.1,44,000 p.a. and dearness pay of Rs.96,000 p.a. The actual house rent paid by him is Rs.1,50,000p.a. you are required to calculate the tax free house rent allowance for the previous year 2020-21

Q-3 (14)

Shri Rajkumar (a specified employee) is the general manager of ABC Co. Ltd. From the following details compute the taxable income from salaries for the assessment year 2021-22:

- 1) Basic salary Rs. 20,000 p.m
- 2) Dearness allowance Rs. 2,000 p.m (half of which is part of salary for retirement purposes)
- 3) House rent allowance Rs.6,000 p.m (actual house rent paid at Ahmedabad Rs.2,400 p.m.)
- 4) Education allowance for 2 children Rs.600 p.m
- 5) Transport allowance Rs.2,400 p.m
- 6) Hostel allowance for 1 child Rs.500 p.m.
- 7) Employer's contribution to recognised provident fund- 12.5%
- 8) Interest credited to the balance of recognised provident



fund@10%-50,000

9) Rs.200p.m. is deducted from his salary as professional tax.

Q-4

(14)

Rajkumar owns tree houses. Find out his taxable income of house property assessment year 2021-22 from the following information.

House used for residence	Flat Let out	Tenament Self occupied	Row-house Let out
Annual rent	Rs. 15,000	-	36,000
Fair rent	Rs.15,000	60,000	42,000
Municipal assessment	Rs.18,000	75,000	39,000
Standard rent	-	-	30,000
Tex paid by owner	Rs.500	8,000	1,000
Interest on construction loan:			
(A) Current year	Rs.1,000	6,000	3,000
(B) Capitalised (total)	Rs.5,000	30,000	12,000
Vacancy period	-	-	1 month
Year of completion of construction	2011-12	2015-16	2017-18
Rent not recoverable	-	-	1,000

Q-5

Attempt all questions

(14)

(A) Write merits and demerits of direct taxes

7

(B) Explain agricultural income

7

Q-6

Attempt all questions

(14)

(A) Explain exempted incomes

7

(B) Explain allowances

7

Q-7

Attempt all questions

(14)

(A) Explain types of returns

7

(B) Write short note on assessment year and previous year

7

Q-8

Attempt all questions

(14)

(A) Find out taxable income from house property for the assessment year 2020-21 from the details given below:

7

Usages.	Let out
Municipal value (annual).	48,000
Fair rent (annual).	46,800
Standard rent (annual).	45,600
Rent receivable (monthly).	4,500
Vacancy period.	1 month
Local taxes paid.	5%
Unrealised rent.	9,000
Interest on loan for repair.	7,090

(B) Write a short note on permanent account number

7

