

JK LAKSHMIPAT UNIVERSITY, JAIPUR
INSTITUTE OF MANAGEMENT
END TERM EXAMINATION (DECEMBER 2021)
BBA-V Semester

Time: 2 Hours
MM: 40 Marks

Course: Taxation
Course Code: FA1104

Instructions: All Questions are Compulsory. Provide proper Justification while applying critical thinking.

Q.1 For the assessment year 2021-22, Anant (whose previous year is 2020-21) receives the following income:

- Royalty earned in Nepal but received on May, 2020 in India: Rs. 96,000
- Dividend from a foreign company received in India on July 1, 2020: Rs. 1,05,000
- Share of profit of a business situated in Sri Lanka, received in Dhaka on June 10, 2020 but controlled from India: Rs. 82,000
- Rent of 2020-21 of a house property situated in Sri Lanka and received there on December 7, 2020: Rs. 1,85,000
- Speculation profit earned and received outside India on May 15, 2020: Rs. 93,000 and
- Income from business situated in Nepal and controlled from India (40 percent is received in India and 60 percent is received outside India) in October, 2020: Rs. 84,000.

Determine the gross total income of Anant for the assessment year 2020-21 if he is (a) resident and ordinarily resident; (b) resident but not ordinarily resident; and (c) non-resident. 7.5

In your opinion, in which case, tax liability is greater and why? Support your answer with facts from Indian Income Tax Act 1961. 2.5

Q.2 (A) X, 71 years submits the following information:

Particulars	Amount in Rs
Business Income	3,00,000
Long Term Capital gain on transfer of capital assets On June 1, 2020	4,00,000
Bank Interest	80,000
Other Income	1,90,000
Tax deducted at source	200

In the case given above, find out the amount of advance tax payable during the financial year 2020-21. 5

(B) Discuss the following

- Assessment year and previous year 2.5
- X starts a new business on March 29, 2020. He closes down first set of

books of accounts on March 31, 2021. He wants that income generated during this period should be chargeable to tax for the assessment year 2021-22. Is he legally correct? Support your answer with valid facts from Income tax Act, 1961. 2.5

- Q.3 Mrs. X (age, 58 years) a residential individual, is owner of a garment store at Mumbai and income is derived from different agencies of textile companies. She requests you to compute her total income and tax liability for the A.Y. 2021-22 on the basis of following P & L ac for the year ending March 31, 2021: 10

Particulars	Amount	Particulars	Amount
Opening stock	12,00,000	Sales	80,81,000
Purchases	41,79,000	Closing Stock	9,00,000
Salaries & Wages	4,90,000		
Rent & rates	18,000		
Household expenses	50,000		
Commission	67,000		
Income tax for the year 2020-21	10,000		
Advertisement	14,000		
Postage & telegram	9,000		
Interest on own capital	55,000		
Reserve for future losses	10,000		
Depreciation (Furniture)	9,000		
Net profit	28,70,000		
	89,81,000		89,81,000

The following particulars are furnished:

- Opening as well as Closing stock of accounting year had consistently been valued at 20% below the cost price.
- The amount of household expenses include a contribution of Rs. 4,000 for PPF.
- A workers wages of Rs. 50,000 was ignored while computing amount of salaries & wages for the P.Y. 2020-21.
- Depreciation according to the income tax rules works out to Rs. 9200.
- Mrs. Also works as part time employee at Sunshine Ltd. She received a salary of RS. 6,30,000 in the previous year 2021-22.

- Q.4 X of Patna supplies goods to Y of Allahabad. Taxable value of supply is Rs. 10,00,000. X does not have any input tax credit. Y supplies the same goods after making value addition at the rate of 40%. Recipient of supply is Z of Jaipur. Z supplies the same goods after making the value addition of 30%. Recipient of supply is A of Kota. How GST will be shown in invoices in different cases of supplies? What would be adjustment of revenues of GST by central govt and other concerned state govt. What would be consequences on end consumer if same supplies are governed under VAT? GST slab applicable for goods supplies is 12%. 10