



Institute of Management
JK Lakshmipat University, Jaipur
END TERM RETEST -2019

BBA (V sem.) Direct Tax Laws and Practice
Subject Code: AC 07
MM: 40 Marks

Time: 2 Hours

Important Note: Attempt any four questions. Each Question carries equal marks.

1. X age 69 years, furnishes the following information relevant for the A.Y. 2019-20:

Profit & loss Account for the year ending March 31, 2019

Household expenses	23,000	Gross profit of Agency business	32,65,150
Bad debt	1,000	Commission	18,000
Provision for bad debt	400	Sundry receipts	2,000
Fire insurance	6,000	Interest on Investment	14,000
Salary to:		Bad debt recovered (earlier allowed as deduction)	9,750
Staff	9,00,000	Interest on securities	11,000
X	12,000		
Contribution to unrecognized provident fund	72,000		
Interest on:			
Overdraft taken for payment of Sales tax	8,000		
Capital of X	42,000		
Loan given by X brother	9,000		
Depreciation on building	11,500		
Advertisement:			
Revenue expenditure	7,000		
Capital expenditure sign board	20,000		
General expenses	8,000		
Net Profit	22,00,000		
	33,19,900		33,19,900

Additional Information:

1. General expenses include medical expenses of X rs. 500.
2. Income of Rs. 35,000 accrued during the P. Y. ending March 31, 2019, is not recorded in the P & L ac.
3. X contributes Rs. 1,10,000 towards Public Provident fund.
4. Depreciation on building and sign board comes to Rs. 8,000 according to the tax provisions.

Determine the taxable income and tax liability of X for the A. Y. 2019-20.

2. Write Short note on any two:

(2*5 Marks)

P.T.O.

- a. Tax Deducted at Source (TDS)
- b. PAN
- c. Search, Seizure and Assessment Provision of Income Tax Act, 1961

3. X (40 years) is resident Individual. He gets salary of Rs. 72,47,070 during the previous year ending March 31, 2019. His Business income is Rs. 6,00,000. During the previous year, he transfers the following capital assets-

1. Transfer of 2500 equity shares in A ltd. by way of gift to a Friend.
2. Transfer of a residential house property for Rs. 47,80,000 to B (cost of acquisition in 2004-05: Rs. 5,79,496, cost of improvement in 2010-11: Rs. 94,878; Stamp duty at the time of acquisition Rs. 2,00,000; Stamp duty valuation of home at the time of transfer : Rs. 60,20,000; Expenditure on transfer incurred by X and recovered from B: Rs. 11,500.

X contributes Rs. 1,50,000 in recognized PF. Determine the tax liability of X for the A.Y. 2018-19.

4. X (43 Years) submits the following particulars of his income for the P. Y. ending March 31, 2019.

Salary	16,40,000 Rs.
Business Income (before Depreciation)	2,00,000 Rs.
Bank Interest on fixed deposits	40,000
Transfer of land (Purchased in 2002-03 for RS. 1,93,520)	6,00,306
Transfer of Preference shares (purchased in 2004-05 for Rs. 2,17,928)	5,87,360

The following additional information is available from the records of X-

1. X owns plant A (rate of depreciation 15%) on April 1, 2018 (depreciated value is Rs. 16,00,000). A new plant B is purchased on June 1, 2018 for Rs. 8,50,000. Plant A is transferred on February 10, 2019 for Rs. 3,00,000.
2. X contributes Rs. 1,60,000 towards recognized PF.
3. X purchase on October 6, 2019, NHA bonds of RS. 2,50,000 for claiming exemption u/s 54EC.

Determine the net income and tax liability of X for the A.Y. 2019-20.

CII for the different previous year

2001-02	100	2006-07	122	2011-12	184	2016-17	264
2002-03	105	2007-08	129	2012-13	200	2017-18	272
2003-04	109	2008-09	137	2013-14	220	2018-19	280
2004-05	113	2009-10	148	2014-15	240		
2005-06	117	2010-11	167	2015-16	254		

5. Mr. X furnishes the following particulars of his income earned during the previous year relevant to the Assessment Year 2019-20.

1.	Interest on German Development Bonds (one-sixth is received in India)	36,000
2.	Income from agriculture in Pakistan, received there but later on Rs. 86,000 is remitted to India.	3,41,000
3.	Income earned from Business in Iran which is controlled from New Delhi (Rs. 70,000 is received in India).	4,05,000
4.	Interest from property in USA received outside India (rs. 92,000 is used in Canada for meeting the education expenses of X's son in Canada and Rs. 2,48,000 is later remitted to India.	3,40,000
5.	Dividend Paid by an Indian company on May 10, 2018 but received outside India.	1,95,800
6.	Past untaxed profit of 2015-16 brought to India in May, 2017.	2,10,000
7.	Profits from a business in New Delhi and Managed from outside India (60% of the profit is received outside India).	92,000
8.	Profits on sale of building in India, received in Nepal	18,74,000
9.	Pension from a former employer in India, received in Iran (amount net of standard deduction)	2,15,000
10.	Gift in foreign currency from a friend received in India on September 6, 2017.	80,000

Determine the net income of X for the A.Y. 2019-20 on the assumption that he is (a) resident and ordinary resident in India, (b) resident and non-ordinarily resident in India, and (c) non resident in India.

