



SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaia School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Bachelor of Business Administration (Hons.)	SEM: V
	MAR/APR-2024

Sr. No.	Subject	Available
1.	131U07E504 – Direct Taxation (A)	
2.	131U07E504 – Direct Taxation (B)	
3.		
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10.		



LIBRARY



Semester (July 2023 to November 2023)		
Examination: End Semester Examination March/April 2024 (UG Programmes)		
Programme code:07 Programme: BBA Hons	Class: TYBBA	Semester: V
Name of the Constituent College: S K Somaiya College	Name of the Department Business Studies	
Course Code: 131U07E504	Name of the Course: Direct Taxation	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1) Figures to the right indicate full marks 2) Q1 – Q3 have internal option. Q4 is compulsory 3) Working notes should form part of your answer		

Question No.		Max. Marks	CO														
Q.1. A	<p>Amol, an Indian film actor gives the following information of his stay outside India for film shooting.</p> <table><tr><th>Period</th><th>Place</th></tr><tr><td>12-April, 2022 to 27-April, 2023</td><td>USA</td></tr><tr><td>5-May 2022 to 11-July, 2023</td><td>Sri Lanka</td></tr><tr><td>26-August, 2021 to 9-September, 2022</td><td>UK</td></tr><tr><td>20-September, 2021 to 11-October, 2022</td><td>New Zealand</td></tr><tr><td>3-January, 2023 to 25-March, 2023</td><td>South Africa</td></tr></table> <p>He made his debut in international films on 10-March, 2020 and went to Hollywood for 2 years and returned to India on 28-March, 2022. Determine his residential status with reasons for assessment year 2023-24.</p>	Period	Place	12-April, 2022 to 27-April, 2023	USA	5-May 2022 to 11-July, 2023	Sri Lanka	26-August, 2021 to 9-September, 2022	UK	20-September, 2021 to 11-October, 2022	New Zealand	3-January, 2023 to 25-March, 2023	South Africa	08	01		
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Q.1. B	<p>Mr. Tom, a British citizen had the following income during the year ended on 31-March, 2023.</p> <table><tr><th></th><th>Rs.</th></tr><tr><td>1. Income from house property in India</td><td>15,000</td></tr><tr><td>2. Income from property in Rome</td><td>10,000</td></tr><tr><td>3. Interest from bank account in India</td><td>1,200</td></tr><tr><td>4.. Income from Business in Bangladesh, being controlled from India</td><td>16,000</td></tr><tr><td>5. Interest on bank account in U.S.A.</td><td>11,000</td></tr><tr><td>6. Salary earned and received in Tokyo</td><td>12,000</td></tr></table>		Rs.	1. Income from house property in India	15,000	2. Income from property in Rome	10,000	3. Interest from bank account in India	1,200	4.. Income from Business in Bangladesh, being controlled from India	16,000	5. Interest on bank account in U.S.A.	11,000	6. Salary earned and received in Tokyo	12,000	07	01
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	<div>7. Income earned and received in London13,000</div> <div>8. Dividend from British Company received in India17,000</div> <div>Compute his total Income for the assessment year 2023-24, if he is:</div> <div>(i.) A Resident</div> <div>(ii.) A Resident but not ordinary Resident</div> <div>(iii.) A Non- Resident.</div>																				
	OR																				
Q1 C	<div>Mr. Balaji an Indian Citizen and a professional cricketer toured South Africa, Australia, U.K, West Indies, and Zimbabwe on various dates. The details of departure from and arrival to India are as under.</div> <table><thead><tr><th>Country</th><th>Date of Departure</th><th>Date of Arrival</th></tr></thead><tbody><tr><td>South Africa (for the first time)</td><td>1-03-2020</td><td>25-03-2022</td></tr><tr><td>Australia</td><td>15-04-2022</td><td>01-05-2022</td></tr><tr><td>U.K.</td><td>05-05-2022</td><td>11-07-2022</td></tr><tr><td>West Indices</td><td>31-08-2022</td><td>14-09-2022</td></tr><tr><td>Zimbabwe</td><td>01-01-2023</td><td>23-03-2023</td></tr></tbody></table> <div>Determine his residential status for the assessment year 2023-24. Give your working and explanation.</div>	Country	Date of Departure	Date of Arrival	South Africa (for the first time)	1-03-2020	25-03-2022	Australia	15-04-2022	01-05-2022	U.K.	05-05-2022	11-07-2022	West Indices	31-08-2022	14-09-2022	Zimbabwe	01-01-2023	23-03-2023	08	01
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Q1 D	Discuss any 7 incomes that are exempt from tax	07	01																		
Q.2. A	<div>Mr.Vihaan who was working as Commissioner of Income Tax, retired on 31st December 2022. Following are the particulars of his income relating to the year ending on 31st March, 2023 :</div> <table><thead><tr><th>Particulars</th><th>Amount</th></tr></thead><tbody><tr><td>Basic Salary per month</td><td>9,000</td></tr><tr><td>Entertainment Allowance received per month</td><td>500</td></tr><tr><td>Amount spent on entertainment per month on an average</td><td>350</td></tr><tr><td>Gratuity received</td><td>95,000</td></tr><tr><td>value of commuted Pension received on 15-January 2023</td><td>70,000</td></tr><tr><td>Uncommuted pension from Government w.e.f 1-January 2023</td><td>3,200</td></tr><tr><td>Arrears of salary received on 29-March 2023</td><td>28,000</td></tr><tr><td>Expenses incurred incidental to employment like purchase of books etc</td><td>10,400</td></tr></tbody></table> <div>You are required to compute his taxable income for the assessment year 2023-24 given that he has invested Rs.30,000 in Public Provident Fund during the PY 2022-23</div>	Particulars	Amount	Basic Salary per month	9,000	Entertainment Allowance received per month	500	Amount spent on entertainment per month on an average	350	Gratuity received	95,000	value of commuted Pension received on 15-January 2023	70,000	Uncommuted pension from Government w.e.f 1-January 2023	3,200	Arrears of salary received on 29-March 2023	28,000	Expenses incurred incidental to employment like purchase of books etc	10,400	08	02 & 03
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Q2 B	<p>Compute the income from House Property from the following particulars in respect of a new property owned by Madhav which was let out from 1-4-2017 onwards.</p> <table><tr><th>Particulars</th><th>Rs.</th></tr><tr><td>Fair Rent</td><td>60,000</td></tr><tr><td>Actual Rent receivable</td><td>7,500 p.m.</td></tr><tr><td>Rent actually received (for 10 months only due to vacancy period of 2 months)</td><td>75,000</td></tr><tr><td>Municipal taxes paid (including arrears for earlier years)</td><td>14,400</td></tr><tr><td>Interest on borrowings paid during the year</td><td>23,000</td></tr><tr><td>Insurance premium paid, relating to the property</td><td>2,300</td></tr></table>	Particulars	Rs.	Fair Rent	60,000	Actual Rent receivable	7,500 p.m.	Rent actually received (for 10 months only due to vacancy period of 2 months)	75,000	Municipal taxes paid (including arrears for earlier years)	14,400	Interest on borrowings paid during the year	23,000	Insurance premium paid, relating to the property	2,300	07	02				
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Q2 C	<p>Ms. Katha purchased a house property for Rs.15,00,000 during October 1992. She constructed the first floor during the financial year 2006-07 for Rs.5,50,000. She made further improvement in the financial year 2012-13 for Rs.8,00,000. She constructed the second floor during the financial year 2013-14 for Rs.12,00,000. She sold the property during February 2023 for Rs.150 lakhs. She paid Rs.50,000 as brokerage for the sale transaction. The fair market value of the property on 1st April 2001 was Rs.16,00,000. Investment in new house property as made during March 2023 for Rs.30,00,000.</p> <p>Details of her additional income are as follows:</p> <table><tr><td>Winning from lottery (cost of lottery ticket: Rs.1,000)</td><td>Rs.20,000</td></tr><tr><td>Tuition fees (expenses incurred Rs.500)</td><td>Rs.10,000</td></tr><tr><td>Accrued interest on NSC</td><td>Rs.5,000</td></tr></table> <p>Compute taxable income of Ms Katha for the A Y 2023-24</p> <p>Cost Inflation index –</p> <table><tr><th>F Y</th><th>CII</th></tr><tr><td>2001-02</td><td>100</td></tr><tr><td>2006-07</td><td>122</td></tr><tr><td>2012-13</td><td>200</td></tr><tr><td>2013-14</td><td>220</td></tr><tr><td>2022-23</td><td>331</td></tr></table>	Winning from lottery (cost of lottery ticket: Rs.1,000)	Rs.20,000	Tuition fees (expenses incurred Rs.500)	Rs.10,000	Accrued interest on NSC	Rs.5,000	F Y	CII	2001-02	100	2006-07	122	2012-13	200	2013-14	220	2022-23	331	15	02
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Q3 A	<p>Mr.Kartik is partially blind (55% disability). He furnishes the following information:</p> <p>Profit And Loss Account for the year ended 31-3-2023</p> <table><tr><th>Expenses</th><th>Rs.</th><th>Income</th><th>Rs.</th></tr></table>	Expenses	Rs.	Income	Rs.	15	03 & 04														
Expenses	Rs.	Income	Rs.																		



	To Office Expense	60,000	By Gross Profit b/d	11,48,000		
	To Advertisement	15,000	By dividend from Saraswat Co-op Bank	8,000		
	To Drawings	50,000	By Saving Bank Interest	15,000		
	To Electricity Charges	25,000	By Prize money received for participating in TV Game	20,000		
	To Interest on Business Loan from Bank of India	30,000				
	To Depreciation	28,000				
	To Miscellaneous Expenses	10,000				
	To Advance Income Tax	23,000				
	To Net Profit c/d	9,50,000				
	Total	11,91,000	Total	11,91,000		
	Other Information: 1. Depreciation allowed as per Income Tax Rules is Rs. 30,000 2. Office expenses include office repairs Rs. 21,000 paid in cash on 14-10-2022. 3. Miscellaneous expenses includes Rs.3,000 paid to a CA for filing Income tax returns. You are required to compute the total income and tax liability for Mr. Kartik for the assessment year 2023-24.					
	OR					
Q3 B	Mr. Kulkarni gives you the following information for the year ended 31-March 2023. Profit & Loss Account for the year ended 31-03-2023.				15	03 & 04
	Expenses	Rs.	Income	Rs.		
	To Salaries to staff	2,00,000	By Gross Profit	10,00,000		
	To Salary to Mr. Kulkarni	60,000	By Winnings from horse racing	1,00,000		
	To General Expenses	1,50,000	By Dividend from Co- operative Bank	20,000		
	To Conveyance	70,000	By Interest on P.P.F. Account	40,000		
	To Rent of Premises	1,00,000	By Old Debts recovered	38,000		
	To Fire Insurance Premium	27,000				

	To Reserve for Doubtful Debts	20,000		
	To Income Tax	15,000		
	To Contribution to P.P.F	50,000		
	To Depreciation	70,000		
	To Net Profit	4,36,000		
		11,98,000	11,98,000	
	Other Information: 1. Depreciation allowance under Income Tax Rules is Rs.60,000 2. General Expenses include Rs.10,000 for gifts to staff and Rs.20,000 for LIC Pension Plan Premium. 3. Old debts in respect of Which recovery is made were not allowed as deduction in the past, though they were written off in books. Compute his total taxable income and tax liability for Assessment Year 2023-24.			
Q.4	Write the following concepts (5 Marks each)		15	
	1. Deductions under section 80 DD			03
	2. Incomes exempt from tax (any 10)			01
	3. Entertainment Allowance			02





SOMAIYA
VIDYAVIHAR UNIVERSITY

Semester (July 2023 to November 2023)		
Examination: End Semester Examination March/April 2024 (UG Programmes)		
Programme code:07 Programme: BBA Hons	Class: TYBBA	Semester: V
Name of the Constituent College: S K Somaiya College	Name of the Department Business Studies	
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Question No.		Max. Marks	CO																
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Q1 B	<p>Mr. Balaji an Indian Citizen and a professional cricketer toured South Africa, Australia, U.K, West Indies, and Zimbabwe on various dates. The details of departure from and arrival to India are as under.</p> <table border="1"><thead><tr><th>Country</th><th>Date of Departure</th><th>Date of Arrival</th></tr></thead><tbody><tr><td>South Africa (for the first time)</td><td>1-03-2020</td><td>25-03-2022</td></tr><tr><td>Australia</td><td>15-04-2022</td><td>01-05-2022</td></tr><tr><td>U.K.</td><td>05-05-2022</td><td>11-07-2022</td></tr><tr><td>West Indices</td><td>31-08-2022</td><td>14-09-2022</td></tr><tr><td>Zimbabwe</td><td>01-01-2023</td><td>23-03-2023</td></tr></tbody></table> <p>Determine his residential status for the assessment year 2023-24. Give your working and explanation.</p>	Country	Date of Departure	Date of Arrival	South Africa (for the first time)	1-03-2020	25-03-2022	Australia	15-04-2022	01-05-2022	U.K.	05-05-2022	11-07-2022	West Indices	31-08-2022	14-09-2022	Zimbabwe	01-01-2023	23-03-2023
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OR																			



Q.1. C	<p>Miss Surbhi, an Indian citizen, furnishes the following information of her Income earned during the previous year 2022-23:</p> <table><thead><tr><th>Particulars</th><th>Amount</th></tr></thead><tbody><tr><td>Professional fees received in India</td><td>10,000</td></tr><tr><td>Income earned in India but received in France</td><td>15,000</td></tr><tr><td>Dividend on shares of Indian Co-operative bank received in India</td><td>7,000</td></tr><tr><td>Salary earned and received in France</td><td>5,000</td></tr><tr><td>Dividend from a foreign company received in Germany</td><td>3,000</td></tr><tr><td>Interest from banks in France</td><td>4,000</td></tr></tbody></table> <p>Compute his total Income for the assessment year 2023-24, if she is:</p> <p>(i.) A Resident</p> <p>(ii.) A Resident but not ordinary Resident</p> <p>(iii.) A Non- Resident.</p>	Particulars	Amount	Professional fees received in India	10,000	Income earned in India but received in France	15,000	Dividend on shares of Indian Co-operative bank received in India	7,000	Salary earned and received in France	5,000	Dividend from a foreign company received in Germany	3,000	Interest from banks in France	4,000	08	01		
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Q1 D	Discuss any 7 incomes that are exempt from tax under section 10	07	01																
Q.2. A	<p>Mrs. Rajani is an employee of M/s. Modern Laboratories who furnishes you the following information for the assessment year 2023-24:</p> <table><thead><tr><th>Particulars</th><th>Amount</th></tr></thead><tbody><tr><td>Net Salary per month</td><td>16,000</td></tr><tr><td>Income Tax deducted at source per month</td><td>300</td></tr><tr><td>Profession Tax deducted at source per month</td><td>2,400</td></tr><tr><td>Provident fund contribution deducted from salary</td><td>500</td></tr><tr><td>Dearness Allowance per month</td><td>3,000</td></tr><tr><td>Rent of the house provided by employer to Mrs. Rajani</td><td>40,800</td></tr><tr><td>Arrears of salary received</td><td>12,000</td></tr></tbody></table> <p>Calculate the taxable income under the head, "Salaries" of Mrs. Rajani for the assessment year 2023- 24.</p>	Particulars	Amount	Net Salary per month	16,000	Income Tax deducted at source per month	300	Profession Tax deducted at source per month	2,400	Provident fund contribution deducted from salary	500	Dearness Allowance per month	3,000	Rent of the house provided by employer to Mrs. Rajani	40,800	Arrears of salary received	12,000	08	02
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Q2 B	<p>Ms Simran is the owner of two-house properties. Following details are available for the AY 2023-24</p> <table><thead><tr><th>Particulars</th><th>House -1</th><th>House -2</th></tr></thead><tbody><tr><td>Fair rent</td><td>1,50,000</td><td>3,90,000</td></tr><tr><td>Municipal valuation</td><td>1,20,000</td><td>4,00,000</td></tr><tr><td>Rent realized</td><td>1,80,000</td><td>NA</td></tr><tr><td>Municipal tax</td><td>10%</td><td>10%</td></tr></tbody></table>	Particulars	House -1	House -2	Fair rent	1,50,000	3,90,000	Municipal valuation	1,20,000	4,00,000	Rent realized	1,80,000	NA	Municipal tax	10%	10%	07	02	
Particulars	House -1	House -2																	
Fair rent	1,50,000	3,90,000																	
Municipal valuation	1,20,000	4,00,000																	
Rent realized	1,80,000	NA																	
Municipal tax	10%	10%																	

	To Proprietors Salaries	30,000	By Dividend from UTI	20,000		
	To Bad debts	25,000	By Dividend from Bajaj Ltd.	25,000		
	To Advertisement	10,500	By Interest on PPF	10,000		
	To Fire Insurance Premium	4,500	By interest on savings bank account	5,000		
	To Conveyance Expenses	6,000				
	To Interest on Proprietor's capital	25,000				
	To Medical Expenses	20,000				
	To General Expenses	35,000				
	To Wealth tax paid	5,000				
	To Residential telephone expenses	14,000				
	To GST penalty	4,000				
	To Depreciation	30,000				
	To Net Profit	20,000				
		15,20,000		15,20,000		
	Additional Information:					
	1. The residential telephone is used half the time for office work.					
	2. Purchases include Rs.80,000 paid for cash purchases, exceeding the limits prescribed under Section 40A (3) of Income Tax Act, 1961.					
	3. General expenses include advance Income Tax of Rs. 10,000 paid during the year and Rs. 500 for purchase of Lottery tickets.					
	4. Depreciation allowable as per Income Tax Rules Rs. 25,000.					
	5. His Contribution towards Medclaim for the year amounted to Rs.32,000.					
	OR					
Q.3. B.	Following are Receipt and payment details of Mr. Kotian , a practicing Chartered Accountant for the year ended 31-March 2023:				15	03 & 04
	Particulars	Amount				
	Receipts -					
	• Income tax consultation fees	2,50,000				
	• Gifts from Clients	30,000				
	• Audit fees	4,20,000				
	Payments -					
	• Staff salaries	70,000				

	<ul style="list-style-type: none"> • Telephone charges 20,000 • Printing & stationery 10,000 • Sundry expenses 40,000 • Rent of office 50,000 • Conveyance expenses 8,000 • Subscription expenses 12,000 <p>Additional information:</p> <ol style="list-style-type: none"> 1. 25% of conveyance expenses are for personal purposes. 2. Office is on rented premises, fair market value being Rs.30,000. 3. Sundry expenses include Rs.10,000 for salary paid to self and Rs.10,000 towards approved pension plans 4. Mr. Kotian has physical disability (50%) <p>Calculate Net taxable income and tax liability for the A Y 2023-24</p>		
Q.4	Describe the following concepts (5 Marks each)	15	
	1. Previous year and Assessment year		01
	2. Deemed to be let out property		02
	3. Deductions under Section 80 U		03

