

END TERM EXAMINATION

FOURTH SEMESTER [BBA] MAY-JUNE 2013

Paper Code: BBA 212

Subject: Taxation Laws

Time : 3 Hours

Maximum Marks :75

Note: Attempt any five questions. Q. No. 1 is compulsory. All questions carry equal marks.

- Q1. Write, whether the following statements are true or false:
- (a) Income tax is a direct tax.
 - (b) The term previous year mean calendar year
 - (c) Income tax is computed on fixed assets
 - (d) Every year the residential status of an assessee may change.
 - (e) Scholarship received by a student is taxable.
 - (f) Foreign allowance is totally exempt from income tax
 - (g) HRA is not exempt if the employee does not pay any rent.
 - (h) Annual value of a house always remains the same.
 - (i) Income tax is non-admissible expenditure in the business.
 - (j) Contribution to a political party is deductible expense.
 - (k) Under income tax Act, depreciation is allowed on written down value.
 - (l) There are only three types of capital gains.
 - (m) Car for personal use is treated as capital asset.
 - (n) Interest on Govt. securities is not grossed up
 - (o) Loss from lottery can not be set-off
- Q2. Write short notes on the following:
- (a) Agricultural income
 - (b) Assessment year
 - (c) Gross total income
- Q3. Explain the provisions regarding set-off and carry-forward of uses under Income Tax Act, 1961.
- Q4. Mr. M. purchased agricultural land on 1st January 2003 for Rs. 4,00,000. This land was sold on 31st December, 2012 for Rs. 17,00,000 and incurred expenses Rs. 50000 as selling expenses. He inherited a small residential house on 1st January a small residential house on 1st January, 2012 on the death of her mother. He purchased a residential house in June, 2013 for Rs. 10,00,000 and deposited Rs. 2,00,000 with SBI under Capital Gains Scheme Account on 31st July 2013. Compute the taxable Capital Gains for A. V. 2013-14.
- Q5. What is meant by inter-state sale? Discuss circumstances under which sale will be treated outside the state. Explain with suitable examples.
- Q6. Distinguish between 'sale' and 'turnover'. How would you determine the turnover of a dealer under the Central Sales –Tax Act?
- Q7. Service Tax is payable only when the amount paid is directly connected with the service provided. Discuss.
- Q8. A chartered accountant raised invoice of Rs. 80,000 for conducting audit of a client. He had incurred travelling expenses and miscellaneous expenses of Rs. 10000 which he charged separately as out of pocket expenses. He had stayed in a hotel for purpose of audit. The hotel bill of Rs. 5000 was paid directly by client to the hotel. Calculate the value for purpose of service tax. He did not charge service tax separately in his invoice to the client. Calculate the service tax payable.