

(i) Printed Pages: 7

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(ii) Questions : 9

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Exam. Code :

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**Bachelor of Business Administration 4th Semester
(2042)**

TAX LAWS-II

Paper : BBA-225

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— Students are required to attempt **FOUR** questions from Section A and **TWO** questions from Section B and C each. Each question carries **5** marks from Section A and **15** marks from Section B and Section C.

SECTION—A

1. (a) Discuss the shortcomings in previous Indirect Tax Structure.
- (b) Arun a dealer sells goods to another dealer Raghu and raised an invoice on 31st August 2017 amounting Rs. 35,000 pm 3 months credit period and Raghu paid Rs. 35,000 on 31st December 2017. Arun charged Rs. 200 as penalty and interest @ 1% per month for delay in payment. Raghu paid such amount of penalty on 31st January 2018. What will be the value of supply in the given facts ? Assuming Arun cleared the good for

sale on 2nd September 2017 and taxes are in addition to amounts stated above ?

- (c) What are the Electronic Credit Ledgers ?
- (d) Mr. Sanjay, a resident individual, furnishes the following particulars of his income and other details for the previous year 2020-21:
- (i) Income from salary 18,000.
 - (ii) Net annual value of house property 70,000.
 - (iii) Income from business 80,000.
 - (iv) Income from speculative business 12,000.
 - (v) Long term capital gain on sale of land 15,800.
 - (vi) Loss on maintenance of race horse 9,000.
 - (vii) Loss on gambling 8,000 Depreciation allowable under the Income-tax Act, 1961, comes to 8,000, for which no treatment is given above.

The other details of unabsorbed depreciation and brought forward losses (pertaining to A.Y. 2021-22) are :

- (viii) Unabsorbed depreciation 9,000.
- (ix) Loss from speculative business 16,000.
- (x) Short term capital loss 7,800.

Compute the gross total income of Mr. Sanjay for the Assessment year 2021-22, and the amount of loss that can or cannot be carried forward.

- (e) Mr. Rohan paid the following insurance premia during the previous year 2020-21. Compute the amount of deduction admissible u/s 80D :

Sr. No.	Particulars	Amount (Rs.)
1.	Life Insurance Premium on own life	6,000 p.a.
2.	Premium paid by cheque to General Insurance Corporation to ensure the health of wife and children	20,000 p.a.
3.	Accident Insurance Premium	3,000 p.a.
4.	Premium paid by cheque under Mediclaim to ensure the health of dependent mother	20,000 p.a.
5.	Premium paid to G.I.C. under Mediclaim in cash to ensure own health	3,000 p.a.
6.	He paid by cheque to G.I.C. under Mediclaim policy of his father who is 70 years old	28,000
7.	He spent Rs 40,000 on the medical check-up of his father	

(f) Discuss whether the provision of clubbing of income of minor shall be applicable or not, in each of the following cases :

- (i) Sham Parsad deposited Rs. 5,00,000 in the name of his minor grandson, Sonu, under Fixed Deposit Account. The deposit carries an annual interest income of Rs. 50,000.
- (ii) Rohini, a minor child artist (aged 10 years) acted in a Bollywood movie and earned Rs. 5,00,000 from the film producer.
- (iii) Continuing with case (ii) above, further suppose that Rs. 5,00,000 earned by Rohini is deposited in Punjab National Bank [Fixed Deposit Account] in her name. The fixed deposit carries annual interest of Rs. 70,000.
- (iv) Z, a minor aged 12 years is suffering from physical disability specified u/s 80U. His grandfather has deposited Rs. 10,00,000 in his name in State Bank of India [F.D. Account]. The rate of interest is 11% p.a.

SECTION—B

- 2. Discuss the taxation structure of India in detail.
- 3. Under what circumstances income of other persons can be included in the income of assessee under Income Tax Act, 1961 ?

4. The following particulars are given by Mr. Sharma in respect of his annual income for the year ended 31st March 2021:

- (i) Consolidated salary till 30th September, 2020 at Rs. 13,500 p.m. and from 1st October, 2020 Rs. 14,000 p.m.
- (ii) House rent allowance at 20% of salary.
- (iii) Actual house rent paid Rs. 3,500 p.m.
- (iv) Contribution to recognized Provident Fund by self and employer- each 12% of salary.
- (v) Life Insurance Premium paid Rs. 1,200. (Sum assured Rs. 20,000 and policy taken on 1st April, 2013).
- (vi) Leave Travel Allowance received Rs. 32,700; Rs. 20,000 was spent on travel to home district under LTC.
- (vii) Bonus Rs. 20,000.

(viii) Interest and Dividend Incomes :	Rs.
Interest on Term Deposits with Punjab National Bank	17,000
Interest on Saving Account in Punjab National Bank	12,000
Income from units of Union Trust of India	10,000
Interest on Debentures of Ponds India Ltd.	21,750
Dividend from a co-op. society	15,000
Interest on Govt. securities	13,000
(ix) Long term capital gains on sale of jewellery	30,000
Short term capital gains on sale of shares (SST Paid)	20,000

(x) Medical expenses incurred in private hospital for treatment of self and family Rs. 80,000. His employer reimbursed only up to Rs. 50,000.

(xi) Rent received from tenant of own house property Rs. 9,600. Municipal taxes paid Rs. 600.

Prepare Mr. Sharma's statement of income showing computation of taxable income giving such explanation as necessary and tax liability. Salary is due on last date of the month.

5. The assessment of J. Co. Ltd., Indian company, for the years 2020-21 and 2021-22 show the following results :

	Assessment Year 2020-21	Assessment Year 2021-22
1 Interest on securities	(-) 2,000	(+) 2,000
2 Income from House Property	(+) 8,000	(+) 8,000
3 Profit and Gains of Business and Profession		
(a) Dealing in fruits	(-) 30,000	(-) 12,000
(b) Manufacturing glass :		
Profit before depreciation	(+) 50,000	(+) 1,40,000
Depreciation	80,000	75,000
(c) Speculative Transactions	(+) 6,000	(-) 9,000
4 Income from other sources :		
Bank Interest	(+) 2,000	(+) 5,000
5 Short-term Capital Gains	Nil	(-) 25,000

Compute the net assessable results for each of the two years giving full reasons for your workings.

SECTION—C

6. Enumerate the powers of officers under GST.
7. What are the conditions for opting the Composition Levy Scheme under Section 10 of CGST Act ?
8. Discuss in detail the rules for determining place of supply of goods and services.
9. Explain the various penalties imposed under Section 122 of GST Act.