

B.Com. (A & F) DEGREE EXAMINATION APRIL 2018
ACCOUNTING AND FINANCE
SIXTH SEMESTER

COURSE : MAJOR – CORE
PAPER : BUSINESS TAXATION
TIME : 3 HOURS

MAX. MARKS: 100

Section A

Answer ALL the questions.

(10 x 2 = 20)

1. Compute the gross total income for the following particulars given below:

	Rs.
Business loss from textile business	16,000
Income from land	20,000
Unabsorbed depreciation	10,000

2. What do you understand by 'set – off' of losses?
3. What is dividend policy?
4. What is short term capital loss?
5. H Ltd. acquired a house property on September 20, 2014 for Rs.90, 000. The assets is transferred on January 15, 2017 for Rs.2, 50,000 and Brokerage paid on sales Rs. 5000 .Compute capital gain.
6. What is customs duty?
7. What is duty drawback?
8. What is supply?
9. What is Input Taxcredit?
10. What is GST?

Section B

Answer Any FIVE questions.

(5 x 8 = 40)

11. From the following information compute the total income of X Ltd

	Ass.year	Prev.year
Interest on securities	(-) 2000	2000
Income from House property	8000	8000
Profits and gains of Business or Profession		
Dealing in fruits	(-) 30000	(-) 12000
Profit before depreciation from cloth business	50,000	140,000
Depreciation	80,000	75,000
Speculation transation	6000	(-) 9000
Income from other sources – Bank interest	2000	5000
Short term capital gain	nil	(-) 25,000

12. Explain the implications of tax concessions with respect to setting up of a new Business?
13. What are the objectives of Customs Duty?
14. Compute the taxable capital gain from the particulars given below:
- a) Net sale consideration of a Machinery Rs.15,00,000(2.6.2016) [CII=1125]
Cost of acquisition of the Machinery Rs.3, 00,000 (1.5.1987) [CII=150].
New Machinery acquired on 1.9.2010 for Rs.50,000. [CII = 711]
- b) Bonds purchased on 1.11.1996. [CII 305] for Rs. 2 60,000 were sold on 1.1.2017 [CII 1125] for Rs. 4,00,000

- c) WDV of an office furniture as on 1.4.2016 is Rs. 18,000. Which was purchased on 15.9.88 for Rs. 20,000 were sold on 1.9.16 for Rs. 26,000 [CII 1125]

15. What are the advantages and disadvantages of GST?
16. Distinguish between Excise and Customs Duty.
17. Reliance ltd closes the accounts 31.3 2016 and furnishes the following information. You are required to calculate the taxable income and tax liability for the Ass. year 2017 – 18
- Profit from a manufacturing unit at Lucknow Rs. 3,20,000
 - Profit from trading activities at Lucknow Rs. 1,00,000
 - Interest on debentures issued by another company which is a domestic company producing cement Rs. 25,000 gross.
 - Dividend from Foreign company Rs. 10,000
 - Donated towards PM relief fund Rs. 10,000
 - Paid Rs. 10,000 Towards rural development fund.
 - Brought forward unabsorbed depreciation Rs. 39,000
 - Book profits as per Sec 115 JBRs. 25,00,000

Section C

Answer Any TWO questions.

(2 x 20 = 40)

18. Explain the meaning of
- (a) SGST
 - (b) CGST
 - (c) Registration of dealer
 - (d) Capital structure decision.
 - (e) Levy of GST.
19. Explain the different bases of excise duty.
20. Following is the Profit and Loss account of an Indian company for the A.Y. 2017-18.

Particulars	Amount Rs	Particulars	Amount Rs
To material consumed	22,50,000	By Sales	90,00,000
To salaries	37,50,000		
To Advertisement	3.75.000		
To provision for debts	37,500		
To Insurance	52,500		
To Audit fees	1.20,000		
To depreciation	1,05,000		
To Provision for Income tax	75,000		
To provision for contingent liability	30,000		
To transfer to general reserve	1,50,000		
To proposed dividend	3,00,000		
To office expenses	4,50,000		
To loss form subsidiary company	3,00,000		
To legal fees	1.12,500		
To repairs to plant and machinery	82,500		
To net profit	8,10,000		
	90,00,000		90,00,000

Adjustments

- a) Provision for doubtful debts includes bad debts is Rs. 20,000
- b) The company has various depreciable assets. During the year a block of P & M (15%) was revalued at the start of current previous year from 2,00,000 to 3,00,000. However depreciation as sec 32 of IT act is Rs. 1,00,000.
- c) Income tax includes advance income tax for A.Y 2017-18 is Rs, 25,000
- d) B/F loss and unabsorbed depreciation

	As per book	as per income
B/F business	2,20,000	2,70,000
Unabsorbed depreciation	62,500	2,00,000
Calculate for the A.Y 2017 – 18 i) the total income ii) Book profit under MAT		
iii) final tax liability		

21. Discuss the features and objectives of GST.
