

GOVERNMENT COMMERCE COLLEGE, VADALI

Run by

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Estd : 2008



Academic Year: 2023-'24

B.Com.Sem.-IV

Taxation: Paper-II (CC-207)

Assignment (2023-24)

Unit-I: Profits and Gains of Business or Profession:

[1] Write Short notes:

- (1) Unabsorbed Depreciation
- (2) Provisions of Depreciation
- (3) Deductions expressly allowed under the law

[2] Mr. Manmoji doing a foot ware business. Following information is obtained from the books for the accounting year 2021-'22.

(1) Interest on Business Loan	60,000	(16) Expenses to raise the loan	4,500
(2) Interest on Capital	80,000	(17) Goods stolen (Cost)	2,500
(3) Bad Debt	5,000	(18) Expenses of illegal business	4,000
(4) Bad Debt Reserve	6,000	(19) Compensation to worker for the injury	22,000
(5) Sales tax paid	37,000	(20) Worker's welfare Exp.	25,000
(6) Income tax	78,000	(21) Commission paid for Business	3,800
(7) Life insurance premium	4,000	(22) Banking Transaction Tax	1,200
(8) Insurance premium of Machine	18,000	(23) Marriage expenses of Son	16,000
(9) Office salary	4,80,000	(24) Interest of personal loan	12,000
(10) Owner's Salary	84,000	(25) Provision for Gratuity	36,000
(11) Furniture stolen	2,000	(26) Purchase of Furniture	1,20,000
(12) Donation to recognized institution	5,000	(27) Scientific Research Exp.	27,000
(13) Wealth tax	16,000	(28) Donation to unrecognized Institution	2,000
(14) Professional tax	38,000		
(15) Entertainment Expenses	3,000		

From the above information, prepare statements under the head of profit and gain from Business and Profession –

(1) Allowable Expenses and (2) Disallowable Expenses

[3] State the legality on the admissibility of the following in the computation of income under the head 'Business Income.'

- (i) Rs. 7,000 paid to a lawyer for preparing partnership deed and Rs. 5,000 paid for advertisement during the first two months of starting the business.
- (ii) An amount of Rs. 1,20,000 paid as lump-sum consideration for acquiring 'know-how' for the year ending 31-3-2023.
- (iii) Cost of machinery bought for scientific research Rs. 2,00,000.
- (iv) Penalty paid on breach of custom rules.

- (v) Goods withdrawn from the business free of cost for the personal use of the proprietor.
- (vi) Stock in trade was lost in fire amounting to Rs. 10,000 and was debited to profit and Loss account.
- (vii) Money paid to an employee who has left the job, for getting an assurance from him that he would not start business competing with that of the firm.

Unit-II (A): Capital Gains:

[1] Write Short notes:

- (1) Types of Capital Gain
- (2) Provisions of 'Set off' and 'Carry forward' of capital losses.
- (3) Exemption of capital gain under section 54F.

[2] Compute the capital gain chargeable to tax of Shree Jay Dave from the following details of the A.Y. 2023-'24:

Sr. No.	Particulars of Assets	Date of purchase	Purchase Cost Rs.	Selling price Rs.	Transfer Charges Rs.
1	Only self occupied house	1-1-1989	3,00,000	45,00,000	23,000
2	Shares of 'X' Ltd.	1-6-2020	1,63,680	4,65,180	-
3	Shares of 'Y' Ltd.	1-3-2019	2,64,000	2,62,900	4,000
4	Jewellery	1-9-2010	14,03,000	36,50,000	11,500
5	Residential house for self occupation (new)	1-1-2022	8,76,000	-	-

He had sold old self-occupied house on 15-3-2023. On 1-4-2001 the fair market values of self-occupied house and jewellery were Rs. 12,00,000 and Rs. 8,50,000 respectively. Shares of both the companies sold on 1-11-2022 were subject to securities transaction tax (STT).

Financial Year	2001-02	2010-11	2018-19	2020-21	2021-22	2022-23
Index	100	167	280	301	317	331

Unit-II (B): Income from Other Sources:

[1] Write Short notes:

- (1) Less-tax commercial securities and Tax-free commercial securities
- (2) Grossing up of interest
- (3) Bond Washing Transactions

[2] From the following information, you are required to compute taxable income of

Mr. 'A' under the head 'Income from other sources' for the Previous Year 2022-'23:

- (1) Interest on Bank Deposit (gross) Rs.76,000.
- (2) Interest on 7% Capital Investment Bonds Rs. 10,000.
- (3) Interest on Port Trust Bonds Rs. 8,500.
- (4) Interest received on 7.5% debentures of Ravi Ltd., Rs. 18,000 (T.D.S. 10%).
- (5) Lottery Income Rs. 70,000 (T.D.S. 30%).
- (6) Interest on 8% tax free debentures of Raj Ltd., Rs. 13,500 (T.D.S. 10%).
- (7) Interest on Post Office Saving Bank a/c (in single name) Rs. 6,000.

[3] From the following particulars of investments and income of Shree Sandipbhai,
Compute taxable income under the head 'Income from other sources' for the previous year 2022-'23.

- (1) 12% Debentures of 'X' Ltd Rs. 3,00,000.
- (2) Agriculture income from land in Karnataka Rs. 87,000.
- (3) Remuneration received for assessing answer sheet in university examination Rs. 6,500.
- (4) Received family pension Rs. 96,000.
- (5) Interest 7% Capital investment bonds Rs. 10,000.
- (6) Interest received on 7.5% Debentures of Sai Ltd. Rs. 9,000 (TDS 10%)
- (7) Interest earned on post office saving account (jointly held) Rs. 7,000.
- (8) Rs. 15,000 as dividend received on shares of Rani Ltd., Patan.
- (9) Net income from horse race Rs. 49,000 (TDS 30%)
- (10) Unexplained cash Rs. 1,23,000.

Interest on securities due on 31st December.

Sandipbhai incurred the following expenses :

- (i) Interest paid on amount borrowed for purchasing shares Rs. 3,000.
- (ii) Collection charges of interest Rs. 1,500.

Unit-III:

[1] Write Short notes:

- (1) Deduction under section 80C
- (2) Deduction under section 80D
- (3) Deduction under section 80DDB

[2] Write Short notes on:

- (1) Concealed or Unexplained income
- (2) Set-off of losses

[3] Gross total income of Sandeep is Rs. 5,25,000. He made donations as under. calculate deduction U/s 80D and 80G.

- (1) Donation to National Defense Fund Rs. 25,000
- (2) Donation to Rajiv Gandhi Foundation Rs. 20,000
- (3) Donation to Government for family planning Rs. 15,000
- (4) Donation to notified educational institution (for building construction) Rs. 10,000
- (5) Medical Insurance Premium paid (self) Rs. 30,000
- (6) Donation to National Children Fund Rs. 10,000

[4] Shri Praksh has made the following investments during the previous year 2022-'23.
Determine the amount of deduction U/s 80C for the assessment year 2023-'24:

- (1) Own contribution to recognized provident fund Rs. 18,000
- (2) Deposit made in P.P.F. A/c Rs. 80,000
- (3) Investment under master equity plan of UTI Rs. 14,000
- (4) Investment in national saving certificates (series six) Rs. 20,000
- (5) Amount deposited in 5 years fixed deposit A/c with state bank of India Rs. 25,000
- (6) Deposit made in Post office saving bank A/c Rs. 5,000
- (7) Investment in kisan vikas patra Rs. 11,000
- (8) Life insurance premium paid (self) Rs. 6,000

Unit-IV: GST

Write Short notes on:

- (1) Types of 'GST'
- (2) Benefits of 'GST'
- (3) GST Council and its Functions
- (4) Input Tax and Input Tax Credit
- (5) Definition of 'Goods' and 'Service'




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