Enrolment No._____

AHMEDABAD UNIVERSITY

AMRUT MODY SCHOOL OF MANAGEMENT

UNDERGRADUATE PROGRAMMES

2023-24 WINTER SEMESTER

FAC125 BUSINESS TAXATION

END SEMESTER EXAM

Date: 26th April 2024 Total Marks: 40

Time: 05:00 p.m. to 6:30 p.m. No. of printed pages: 3

Please read the questions carefully and Answer all questions.

Figures in the bracket indicate marks.

1. Francis Cooling Ltd has been engaged in the business of manufacturing air-conditioners since 2006. During the Previous Year- 2022-23, the following assets were acquired and put to use:- (10)

Particulars	Block – 1	Block – 2	Block – 3	Block – 4
Number of assets	5	7	4	8
Rate of Depreciation	15%	30%	40%	20%
Opening WDV	9,50,000	28,20,000	8,00,000	7,50,000
Assets added during P.Y.	6400000	650000	8,00,000	14,60,000
Assets sold during P.Y	75,000	41,00,000	21,98,000	12,30,000

Additional Information:-

1. All new assets were purchased between June and August 2022. On the other hand, the sale of assets happened in December 2022.
2. The assets sold during the P.Y. refer to only one asset from each block except Block-3, where all the blocks' assets were sold.
3. The asset sold in Block-4 represents the new asset acquired during the P.Y.

Based on the above information, please calculate the P.Y. 2022-23 depreciation and short-term capital gain or loss, if any.

2. Examine if the provisions of clubbing would apply in the following cases:- (10)
   1. Mr. Pravin is employed with Ruchi Solvents Ltd on a monthly salary of ₹ 4,20,000. He holds 21% shares of the same company. The company appointed his wife, a qualified company secretary, as legal and compliance officer of the company at a monthly salary of ₹ 2,60,000. Furthermore, Mr Pravin and his wife regularly deliver sessions at a local university for which they have earned ₹ 1.60 lakhs and ₹ 2.90 lakhs, respectively, during P. Y. 2022-23.

2. Ms Yagni is a minor daughter of Mr Dilip (age 34 years) and Mrs Saira. (age 32 years). For the Previous year, 2022-23, Ms Yagni earned ₹ 1.65 lakhs as interest from a company bond and ₹ 2.67 lakhs as a chess player by participating in various tournaments. Mr Dilip has a business income of ₹ 6.98 lahks,f while Mrs Saira has a salary income of ₹ 8.56 lakhs during the P.Y.

Based on the above information, please calculate the taxable income of all persons for P.Y. 2022-23.

3 Ms Damini (40 years), a resident individual, furnishes the following information for P. Y. 2022-23 (10)

Profit and Loss account for the year ending on 31st March 2023

Particulars	Amount	Particulars	Amount
Purchases	22,00,000	Sales	35,72,000
Salary, Bonus & wages	4,40,000	Bad debts recovered (allowed during earlier PY)	28,000
Domestic Expenses	25000	Interest on debenetures	68,000
Advertisement expenses	1, 30,000	Income Tax Refund	54,100
Gift to customers	50,000	Gift received from wife	4,65,000
Office expenses	32,000		
Contribution to employee RPF & ESIC	45,000		
Petrol and Conveyance	54,000		
Donations to NGO	11,000		
Transportation expenses	87,000		
Depreciation expenses	89,000		
Provision for Bad Debts	14,000		
Net Profit	10,10,100		
	41,87,100		41,87,100

Additional Information

1. Salary, Bonus and wages include ₹ 50000 paid to the Proprietor and an employee bonus of ₹ 48,000. The Bonus was paid to employees on 31st October 2023. A salary of ₹ 60,000 p.a. was paid to Ms Damini's brother as an accountant (A reasonable salary is ₹ 50,000 p.a.)
2. Advertisement expenses include ₹ 56,000 paid through a bearer cheque.
3. Depreciation allowed as per income tax act ₹ 94,800 for the year.
4. Income tax refund included interest of ₹ 600/-

Calculate the taxable income from Profits and Gains of Business and Profession of Ms. Damini for the P.Y. 2022-23.

4. Answer the following:- (10)

1. Compute the amount of deduction available to Mr Kewal under section 80C for the P. Y. 2022-23, assuming that he has opted for the old regime:-
    a. Insurance premium paid on the life insurance of his major son - ₹ 22000/-
    b. A contribution made towards Public Provident Fund - ₹ 0.50 lakhs
    c. Repayment of housing loan on 16th January 2023- ₹ 0.64 lakhs to State Bank of India
    d. Investment in Equity Linked saving scheme -₹ 30000/-

    (4 marks)
2. Mr Xavier (48 years) paid a medical insurance premium of ₹ 28,700 during the P. Y. 2022-23 to insure his health and that of his wife. He also paid a medical insurance premium of ₹ 56,300 towards a policy issued in his mother's name. Based on this information, calculate the deduction available under sec. 80D. (2 marks)
3. Ms Aniqa has a total income of ₹ 18.90 lakhs for P.Y. 2022-23 and the total tax liability is ₹ 4.52 lakhs. The Tax deducted at source amounts to ₹ 2.69 lakhs. Calculate the advance tax to be paid by Ms Aniqa during P. Y. 2022-23 for each instalment. (4 marks)

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