



RF-4606-07

M. B. E. (Sem. II) Examination

April / May – 2010

Taxation : Paper - IX

(Theory & Practice)

Time : 3 Hours]

[Total Marks : 100

RF-4606

Instructions :

(1)

नीचे दशांशवैल निशानीवाणी विगतो उत्तरवडी पर अवश्य कभववी. Fillup strictly the details of signs on your answer book.		Seat No. :
Name of the Examination :		<input type="text"/>
← M. B. E. (SEM. 2)		<input type="text"/>
Name of the Subject :		<input type="text"/>
← TAXATION - 9		<input type="text"/>
← Subject Code No. :	<input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="6"/>	← Section No. (1, 2.....) :
		<input type="text" value="1"/>
		Student's Signature

- (2) Question No. 1 is compulsory in both the sections.
(3) Figures at the end of the question indicate marks.
(4) Answer any two questions from the rest under both the sections.

- 1 (i) Discuss the mode of calculating written down value for depreciation. **15**
- (ii) Whether the following statements are true or false: **5**
- (a) Standard deduction at 20% is allowed under Income from House Property.
- (b) Maximum exemption limit of Gratuity received is Rs. 2,50,000/-
- (c) Income received by employees from employer is chargeable under the Head Salaries.
- (d) Standard Rent can exceed Actual rent received.
- (e) Previous year can be of 18 months.

2 Discuss about presumptive taxation under The Income Tax Act 1961. **15**

3 A is an American Citizen. He came for employment in India during the previous years as under: **15**

Financial Year	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Days	18	105	215	05	22	98	12	54	70	02

Discuss the residential status for the Assessment years 2009-10 and 2010-11.

4 Mr. X is employee of a private sector company and is getting H.R.A. of Rs. 2,000/- p.m. He has paid rent of Rs. 3000/- p.m. in the city of Mumbai. Mr. X is getting salary of Rs. 15,000/- p.m. in addition commission of Rs. 3,000/- p.m. on sales achieved by him. D.A. @ Rs. 10,000/- p.m. is payable out of which 50% will be taken into account for the purpose of retirement benefits. **15**

Calculate the amount of House Rent Allowance exempted from tax.

5 Discuss various types of Provident Funds. Discuss its implications under the Income Tax. **15**

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(1)

नीचे दशांशके निशानीवाणी विगतो उत्तरवडी पर अवश्य कभवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="M. B. E. (SEM. 2)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="TAXATION - 9"/>	<input type="text"/>
Subject Code No. : <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/>	Section No. (1, 2,.....) : <input type="text" value="2"/>
Student's Signature	

- (2) Question No. 1 is compulsory in both the sections.
(3) Figures at the end of the question indicate marks.
(4) Answer any two questions from the rest under both the sections.

1 (a) What do you mean by incidence of taxation? Discuss 15
the factors affecting incidence of taxation.

(b) Distinguish between direct and indirect taxes. 5

2 Attempt any two :

Mr. X of Rajasthan started business w.e.f. 01.01.2010 and got himself registered with VAT authorities. He presents the following details for the month of January 2010.

Purchases from Rajasthan 10,00,000

Purchases from Delhi 4,00,000

Sales within Rajasthan out of
purchases from Rajasthan 8,00,000

Sales within Rajasthan out of
purchases from Delhi 1,00,000

Sales to dealer of Maharashtra out of
purchases within Rajasthan 4,00,000

Sales to dealer of Maharashtra out of
purchases from Delhi 2,00,000

Compute tax payable by Mr. X Aforesaid amounts are exclusive of taxes. VAT rate is 4%. CST is 2%.

- 3 (a) Mr. Z rendered a taxable service to a client. A bill for Rs. 40,000 was raised on 29.4.2009; Rs. 15,000 was received from the client on 1.5.2009 and the balance on 23.5.2009. No service tax was separately charged in the bill. The questions are : **10**
- (i) Is Mr. Z liable to pay service tax, even though the same has not been charged by him?
- (ii) In case he is liable, what is the value of taxable service and the service tax payable?
- (b) Write a brief note on Registration, small dealers and Composition scheme under VAT. **5**
- 4 (a) A manufacturer has purchased raw material for Rs. 1,04,000 (inclusive of 4% VAT) and plant and machinery for Rs. 2,25,000 (inclusive of 12.5% VAT). The manufacturing and other expenses (excluding depreciation) are Rs. 3,00,000. He sells the resultant products at 50% above cost (VAT on sales is 4%). The P&M is to be depreciated at 50% straight line. Compute the amount of VAT payable in cash, as per the Consumption Variant of VAT. **10**
- (b) Write a short note on Small Service Provider. **5**
- 5 Answer to following questions. Both questions carry equal marks. **15**
- (a) How service tax is administered in India?
- (b) What is Input Tax Credit? List out the transactions on which no credit is available.