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VI Semester B.Com./B.Com.(TT) Degree Examination, August/September - 2023

COMMERCE**Business Taxation****(CBCS Scheme Repeaters-2018)****Time : 3 Hours****Maximum Marks : 70****Instructions to Candidates:**

Answers should be write in English only.

SECTION - A

Answer any Five sub- questions. Each sub question carries Two marks. (5×2=10)

1. a) Define goods.
- b) What is warehousing in customs?
- c) Expand
i) GST
ii) CBDT.
- d) Give the meaning of sales Tax.
- e) What do you mean by book profit?
- f) What is MAT?
- g) What is Depreciation?

**SITADEVI RATANCHAND NAHAR
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5th Main, Chamarajpet, Bengaluru-560018****SECTION - B**

Answer any Three questions. Each question carries Six marks. (3×6=18)

2. Explain the types of customs Duty in India.
3. A consignment is imported by air on 2016. CIF price is 1000 US \$. Freight is 320 US \$ Insurance cost was \$ 35. Exchanges rates as follows RBI floor rate : 59.37, inter bank closing rate Rs. 59.38 rate notified by CBEC U/S 14(3) (a) (1) of customs Act Rs. 59.55, Rate at which bank has realized the payment Rs. 59.58 find the custom value.

[P.T.O.]

4. Compute taxable turnover and CST payable by Mr. Bhaskar carrying on business in Bengaluru for the financial year 2016-17. Turn over for the year is Rs. 16,00,000

(Inclusive of CST) which included the following

Trade discount	48,000
Installation charges (Shown separately)	25,000
Freight and Insurance recovered Separately in invoices	60,000
Goods returned with in 6 months of Sale (Inclusive CST)	40,000

Invoice No. 5012, Applicable tax rate is 16%. Insurance was made at the request of the buyer.

5. P, Q and R are partners in a firm assessed as firm sharing profits and Losses equally. The firm's profit and Loss A/c for the year ended 31st March 2021 showed a Net profit of 2,00,000 after debiting the following.
- Salary of Rs. 10,000 paid to R.
 - Commission to Q Rs. 5,000
 - Donation to NDF Rs. 15,000

The amount of Net profits includes Rs. 10,000 interest on Government securities. All the partners are working partners. Compute firm's business profits for the A.Y 2021-22.

6. State whether the following one admissible or inadmissible expenses under the provisions of Income Tax Act:
- Gift Tax Paid.
 - L.I.C premium on Director and his family member's life.
 - Payment of licence fees for obtaining franchise.
 - Professional Tax paid
 - Annual listing fees paid towards stock exchange by a company
 - Expenditure paid.
 - Pension paid to employees.



SECTION - C

Answer any Three questions. Each question carries 14 marks.

(3×14=42)

7. Explain the powers and functions of GST council.
8. Compute the customs duty from the following data:
- Machinery imported from USA by Air (FOB) 8,000 US \$
 - Accessories were compulsorily supplied with machine (Electric motor and others) (FOB 2,000 US \$)
 - Air Freight 3,000 US \$
 - Insurance 100 US \$
 - Local agents commission to be paid in Indian Rupees is Rs. 4,500 (say equivalent to US \$ 100)
 - The exchange rate is 1 US Dollars = Indian Rupees is Rs. 45 (in 2008)
 - Customs duty on Machinery - 10% ad valorem.
 - Customs duty on Accessory - normal rate 20% ad valorem.
 - Education cess is applicable.
9. Sri. Prakash a registered dealer at Mumbai, invoice No. 005213 furnishes the following information.
- Inter - State sale of goods Rs. 40,00,000 This includes the following.
 - CST
 - Goods returned on 17/1/2017 (These goods were sold on 12/4/2016) Rs. 1,05,000
 - Cash discount shown in invoice and allowed according to prevailing trade Practice Rs. 50,000.
 - Freight and transportation charges (of this Rs. 2,50,000 is on inclusive basis) Rs. 5,50,000
 - Insurance premium paid prior to delivery of goods Rs. 1,30,000.
 - Installation and commissioning charges levied separately in invoices Rs. 1,25,000.

Compute the tax liability under the CST Act, Assuming the rate of Tax @ 18%.



10. The profit and Loss Account of Ms. Vandana and Associates a Chartered Accountant firm for the year ending 31st March 2017 is as follows.

Particulars	Rs.	Particulars	Rs.
To office expenses	75,000	By Audit fees	65,000
To Depreciation	35,000	By Consultation fees	62,000
To Interest on partner's capital	8,000	By Net Loss	58,000
To Remuneration to Partners	67,000		
	<u>1,85,000</u>		<u>1,85,000</u>

Additional Information:

- Out of expenses of Rs. 80,000 Rs. 16,000 is not deductible U/S 37(1) and 43(b).
- Depreciation allowable U/S 32 is Rs. 37,000.
- Interest to the extent of Rs. 800 is not deductible U/S 40(b).

Compute book profits of the firm.

11. From the following information compute book profit and tax liability there on keeping in view the provisions of MAT U/S 115JB for the A.Y 2021-22

Profits and Loss A/c

Particulars	Rs.	Particulars	Rs.
To salary to employees	4,50,000	By long term capital gain	1,00,000
To proposed dividend	20,000		
To Provision for IT	50,000	By sales	7,00,000
To General Reserve	60,000	By deferred tax	1,00,000
To provision for O/S Liabilities	30,000		
To provision for contingent liabilities	40,000		
To Balance c/d	2,50,000		
	<u>9,00,000</u>		<u>9,00,000</u>

Additional Information:

- B/F loss as per books of Accounts Rs. 80,000
- B/F depreciation as per books of Accounts Rs. 1,00,000.