

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
EXAMINATION : DECEMBER - 2022
SEMESTER - VI

Sub. : Business Taxation & Auditing (BBA15-F-613)

Date : 28/12/2022

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Agriculture income is ----- from tax
 - a) Wholly exempt
 - b) Entirely
 - c) Partly exempt
 - d) None of the above
2. An ----- is a set of policies and procedures that dictate how Audit is to be implemented.
 - a) Audit programme
 - b) Audit working paper
 - c) Audit note book
 - d) Audit report.
3. ----- audit is the original form of audit
 - a) statutory audit
 - b) internal audit
 - c) financial audit
 - d) cost audit
4. GST is described as -----
 - a) two nation one tax
 - b) one state one tax
 - c) one nation one tax
 - d) one country two tax
5. Standard deduction is allowed to deduct from income from house property U/S-----
 - a) U/S 16
 - b) U/S 24
 - c) U/S 80
 - d) U/S 80 C

Q. 2. State True / False (05)

1. A tax is a compulsory payment to be made to the government by public
 - a) True
 - b) False
2. residential status of an assessee might be changed every year
 - a) True
 - b) False
3. Hindu undivided family (HUF) is person for the purpose of income tax
 - a) True
 - b) False
4. Gift tax is kind of direct tax
 - a) True
 - b) False
5. A direct tax is a kind of charge, which is imposed directly on the taxpayer
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three)**(15)**

1. Explain residential status of Individual person
2. Audit working papers.
3. Define Audit and Audit note book
4. Define person and income under income tax act
5. From the following information compute the income from house property for the A.Y. 2021-2022

Particulars	Amount
Municipal value	360,000
Fair rent	370,000
Standard rent	250,000
Annual rent	480,000
Municipal tax	36,000
Period of vacancy	1 month
Interest on borrowed capital	180,000

Q. 4. Answer in detail (Any Two)**(20)**

1. Discuss the deductions applicable 80 C and 80 D.
2. Explain method of vouching the credit side or payment side of cash book
3. Explain the rights of auditor

Q. 5. Case study (Any One)**(15)**

1. **Case study**

Questions :

Mr. Ravi of Paithan (population below 10 lakhs) received the following remuneration during the financial year 2021-2022

- 1) Salary – 24000
- 2) Bonus - 6000
- 3) Commission on sales at 5% - 15000
- 4) Contribution to recognized provident fund by the employer – 5850
- 5) Interest on P.F. at 15% - 5500
- 6) Vehicle allowance (all expenses is incurred for office purpose) – 2400
- 7) Medical allowance (Rs- 200 p.m) – 2400
- 8) Rent free furnished accommodation provided by employer the employer. The employer pays the rent of Rs- 900 p.m. – 10800
- 9) Cost of the furniture in the accommodation - 15000
- 10) Watchman salary (Rs- 150 p.m) - 1800
- 11) Gardner´s salary (Rs- 100 p.m.) – 1200
- 12) Gas, electricity, water bill paid by employer - 1500
- 13) Hospital bill paid by the employer – 4250

Compute the taxable Income of Mr. Ravi for the A.Y. 2018-2019 assuming that he has paid Rs- 300 as professional tax.

2. **Following is the profit and loss account of Tanay Ltd. for the year ended 31st March**

2022

Particulars	Amount	Particulars	Amount
To sundry expenses	1200	By gross profit	35672
To advertisement	2500	By discount	751
To insurance	450	By commission	1205
To salaries	10800	By sundry receipt	52
To car expenses	1200		
To reserve for bad debts	4500		
To interest on capital	1000		
To interest on bank loan	1550		
To charity	150		
To life insurance premium	550		
To depreciation on building	1000		
To depreciation on furniture	200		
To difference in trial balance	105		
To net profit for the year	10100		
	37680		37680

The motor car is used half for business purpose and half for personal purpose.
The depreciation allowable is Rs- 800 for building and Rs- 150 for furniture.
Tanay has organized a special campaign for recently introduced product.
The expenses of Rs- 1000 are included in advertisement expenses.
Salaries include Rs- 6000 withdraw for self
You are required to calculate income from business of Tanay for the assessment year 21-22