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(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2024**

B.B.A.

BBA 5B 10—FINANCE Elective I—INCOME TAX

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. Define Income.
2. What is fair rental value ?
3. What is Exemption ?
4. What is Pension ?
5. What is a statutory provident fund ?
6. Define annual value.
7. What are blocks of assets ?
8. Write any *two* disallowable expenses while computing income under the head profits and gains of business or profession.
9. What are various capital assets, write any *four*.
10. What do you mean by indexation ?
11. Explain the rebate.
12. What are bond-washing transactions ?
13. Mr. X left India for the first time on 1st April 2018 and came back in 30th June 2023 -and stayed here. Identify his residential status for the year 2024-2025.
14. Mrs. Sheela let out her house property for Rs. 40,000 per month. The property's fair rental and municipal value are Rs. 5,00,000 and Rs. 4,44,000 respectively. The standard rental value is Rs. 4,00,000. Compute the gross annual value of the let-out property.

Turn over

15. Mr. Mohan has a block of assets worth Rs. 1,00,000 in the previous year, during the year he purchases another asset of the same block for Rs. 40,000. The entire block was sold during the previous year itself for Rs. 2,00,000. Compute capital gain.

(15 × 2 = 30, Maximum ceiling 25 marks)

Part B

Answer all questions.

16. Explain the treatment of agricultural income in total income.
17. Briefly explain the provisions of motor car perquisite.
18. Explain any *two* deductions from the head capital gains.
19. Differentiate rebates and reliefs.
20. Mr. Raju residing in Kanpur. He gets a basic salary of Rs. 2,00,000, Dearness pays Rs. 2,00,000, and a House rent allowance of Rs. 1,50,000 per annum. He pays a rent of Rs. 1,80,000 per annum. Compute the amount HRA chargeable to tax.
21. Determine the scope of total income in respect of the following incomes if the assessee is :
- (a) Resident ;
 - (b) Resident and ordinarily resident ; and
 - (c) Non-resident.
 - Profit on sale of a building in India but received in the USA - Rs. 3,50,000
 - Dividend on shares of Indian company - Rs.1,00,000
 - Income from agriculture in Canada being invested there - Rs.2,00,000
 - Income from business in Sri Lanka, being controlled from India - Rs. 3,20,000
 - Profits not taxed previously brought to India - Rs. 40,000
22. The written-down value of a block of machines was Rs. 25,00,000. A new machine costing Rs. 4,00,000 was purchased in December 2023. On 31st March 2024, all the old machines were sold for Rs. 1,00,000. Compute allowable depreciation for the year 2024 - 25. Depreciation rate is 20 %.

23. Following are the particulars submitted by Mr. Kumar for the year ending March 2023. Compute his total income :

- a) Income from house A - Rs. 60,000
- b) Loss from house B - Rs. 20,000
- c) Income from cloth business - Rs. 30,000
- d) Loss from hardware business - Rs. 60,000
- e) Loss from speculation business - Rs. 10,000
- f) Income from the lottery - Rs. 25,000
- g) Loss from maintenance of race horses - Rs .7,000
- h) Interest on securities - Rs.10,000
- i) Gross salary - Rs. 2,16,000

(8 × 5 = 40, Maximum ceiling 35 marks)

Part C

Answer any two questions.

- 24. What are the components of income from salary ?
- 25. How to identify the residential status of individuals in India ?
- 26. Compute the income from other sources for the assessment year 2024-25 :
 - a) Income from agriculture in China Rs.5,000
 - b) Ground rent for land in Rajasthan Rs. 10,000
 - c) Interest on postal savings bank account Rs. 1,000
 - d) Interest on deposits with IFCI Rs.5,000
 - e) Dividend from foreign company Rs. 700
 - f) Rent from subletting a house Rs. 26,500
 - g) Rent paid for sublet house Rs. 12,000
 - h) Other expenses of sublet house Rs. 1,000
 - i) Winning from Horse Race Rs. 12,3 00
 - j) Interest Rs.36,000 on 10% tax free debentures (listed) of Hero Motors.

Turn over

27. The following particulars of Mr. Xavier for the previous year 2023-24. You are required to prepare his total income for the year :

- a) Business income Rs. 5,56,900
- b) Rent of property Rs. 10,000
- c) Municipal tax on property Rs. 1,000
- d) Agricultural income Rs. 10,000
- e) Long term capital gain Rs. 15,000
- f) Lottery winnings Rs. 50,000
- g) LIC premium paid Rs. 10,000
- h) Contribution to PPF Rs. 15,000
- i) Casual income from puzzles Rs. 1,200

(2 × 10 = 20 marks)

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**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.B.A.

BBA 5B 10—FINANCE ELECTIVE I—INCOME TAX

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. What do you mean by previous year ?
2. What is gross total income ?
3. Who is an Assessee ?
4. What do you mean by long term capital gains.
5. Define Annual Value.
6. Who is an assessee in default ?
7. What is capital asset ?
8. Define Perquisites.
9. Define block of assets.
10. What do you mean by standard rent ?
11. Who is a Person ?
12. What are the five heads of income ?
13. What do you mean by Fair Rental Value ?
14. How is short term capital gain is computed ?
15. What do you mean by casual income ?

(15 × 2 = 30, Maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.*

16. Explain the tax treatment of Rent Free Accommodation (Government Employees and Other Employees)
17. What are called fully taxable allowances under the head salaries ? Explain.
18. Mr. Philip resides in Kanpur. He gets a basic salary of Rs. 2,00,000 and dearness pay Rs. 2,00,000 and house rent allowance of Rs. 1,50,000 per annum. He pays a rent of Rs. 1,80,000 per annum. Determine the amount of HRA chargeable to tax.
19. Mr. Ram retires from a company on 4th January, 2023 after serving 16 years. At the time of retirement his basic salary was Rs. 88,000 per month and he was also entitled to dearness allowance of Rs. 16,000 per month. On the retirement, he received Rs. 1,20,000 as gratuity. He is covered under the Payment of Gratuity Act. Compute the taxable amount of gratuity.
20. Determine the Net Annual Value in the following cases :

<i>Particulars</i>	A (Rs.)	B (Rs.)	C (Rs.)
Municipal Valuation	1,00,000	80,000	1,20,000
Fair Rent	1,20,000	60,000	1,10,000
Standard Rent	1,25,000	1,00,000	Not Fixed
Actual Rent	1,00,000	1,00,000	1,00,000
Municipal Taxes	15,000	12,000	7,500

21. Explain the deductions allowed under the head salaries.
22. Give a note on exempted allowances under the head salaries.
23. Write a note on pre-construction interest.

 $(8 \times 5 = 40 \text{ Marks, Maximum ceiling } 35 \text{ marks})$ **Part C**

*Answer any two questions.
Each question carries 10 marks.*

24. Explain in detail how to determine the residential status of an individual ?
25. Explain any *fifteen* exempted incomes.

26. Compute taxable salary of Mr. Anand for the Assessment Year 2023-24 :

	₹
Salary	... 5,00,000
Dearness Allowance (not forming part of salary)	... 20,000
House rent allowance	... 1,20,000
Actual rent paid	... 1,50,000
Place of service	... Chennai
CCA	... 200 p.m.
Medical allowance	... 100 p.m.

27. Compute taxable income from house property from the following particulars :

	₹
Fair market rent	... 80,000
Actual rent received	... 72,000
Municipal valuation	... 50,000
Standard rent	... 60,000
Municipal Taxes	... 20 %
Interest paid	... 18,000

(2 × 10 = 20 marks)

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**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2022**

B.B.A.

BBA 5B 10—FINANCE ELECTIVE—I—INCOME TAX

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. What is Total Income ?
2. Who is Assessment Year ?
3. Shri. Ramesh, who was born and brought up in India, went for further studies to the U.K on 1st March, 2019 and came back to India on 1st October, 2020 early in the morning. Find out his residential status for the Assessment Year 2021-22.
4. What is Annual Accretion ?
5. What are the deductions allowed u/s 16 ?
6. What is LTCG ?
7. The following are the assets of Mr. A as on 1st April, 2020 (Rate of Depreciation 15%) Machinery (WDV) Rs. 3,00,000.
He purchased a car for Rs. 2,00,000 on 1st August 2020 and used in his business. The rate of depreciation on the car is 15%. Calculate depreciation for the Assessment Year 2021-22.
8. From the following compute taxable capital gain for the previous year 2020-21 :
 - a) Indexed cost of residential house Rs. 2.5 crore.
 - b) House sold in previous year 2020-21 Rs. 4.5 crore.
 - c) Two new residential house purchased in previous year 2020-21 Rs. 0.75 crore.
9. What is STCG ?
10. Define Casual income.
11. What is TAN ?
12. What is Tax holiday ?

Turn over

13. What is Gratuity ?
14. How to calculate LTCG ?
15. Define Business.

(15 × 2 = 30, Maximum ceiling 25 marks)

Part B

Answer all questions.

16. Mr. Suresh is getting a pension of Rs. 12,000 per month from a company. During the previous year he got his two-third pension commuted and received Rs. 7,38,000.

Compute the exempted amount, if :

- a) He received gratuity ; and
- b) He did not receive gratuity.

17. The following are the particulars of income of Mr. Ramesh for the Previous Year ended on 31st March 2021 :

- a) Salary Rs. 45,000 p.m.
- b) Bonus equal to two months salary.
- c) Dog allowances Rs. 750 p.m.
- d) Special allowances Rs. 600 p.m.
- e) Employees contribution to RPF @ 15% of salary.
- f) Employer's contribution to RPF @ 15% of salary.
- g) Interest credited to the provident fund 9.5% p.a. is Rs. 28,000.
- h) He is provided with free lunch in the office. The cost per meal is Rs. 30.
- i) The employer has given a small car which he uses for personal and official purposes. He meets the expenses for the personal purpose from out of his pocket.

Compute the income from salaries of Mr. Ramesh for the Assessment Year 2021-22.

18. From the following information compute the income of Mr. Shyam and Mrs. Shyam for the Assessment Year 2021-22.

Income of Mr. Shyam :

- a) From business Rs. 3,90,000
- b) Interest on debentures Rs. 20,000

Income of Mrs. Shyam :

- a) Salary income (computed) Rs. 2,50,000
- b) Interest on debentures (gross) transferred by Mr. Shyam without consideration Rs. 10,000
- c) Interest on loan given to a firm Rs. 4,000.

19. Mr. Vivek's gross total income for the previous year 2020-21 was Rs. 5,00,000. He made the following donations by cheque :

- a) Maharashtra Chief Minister's Earthquake Relief Fund Rs. 10,000.
- b) National Foundation for Communal Harmony Rs. 15,000.
- c) Rs. 10,000 to an Educational Institution of National eminence.
- d) Rs. 5,000 to National Children's Fund.
- e) To Muncipal Corporation of Family Planning Rs. 40,000.
- f) To Minority Community Corporation (Notified) Rs. 25,000.

Compute taxable income for the Assessment Year 2021-22.

- 20. What are the differences between GTI and TI ?
- 21. Income tax is charged on the income of the previous year. Do you fully agree with this statement ? If not, what are the exceptions ?
- 22. Explain the capital assets exempt from tax.
- 23. What are the deduction allowable under Section 57 ?

(8 × 5 = 40, Maximum ceiling 35 marks)

Part C

Answer any two questions.

24. Mr. X provides the following particulars of his income for the previous year ended on 31st March 2021 :

- a) Basic salary Rs. 40,000 p.m.
- b) Bonus Rs. 1,00,000.
- c) He owns a house property and the same is let out for a monthly rent of Rs. 10,000. Municipal value of the house is Rs. 96,000. Municipal tax paid by him amounted to Rs. 12,000 p.a.
- d) He received interest on unlisted debentures Rs. 9,000 and interest on fixed deposits in a bank Rs. 4,400.
- e) He paid life insurance premium of Rs. 20,000 on a policy taken in 2017 (sum assured being Rs. 2,50,000).

Turn over

f) He also paid the following donation by cheque :

1. Bangalore municipal corporation for promoting family planning Rs. 65,000.
2. The Prime Ministers drought relief fund Rs. 7,000.
3. The Prime Ministers national relief fund Rs. 10,000.

You are required to compute the total income of Mr. X for the Assessment Year 2021-22

25. Mr. Om is a cloth merchant. From the following P&L for the year ended 31st March 2021 compute his income from business and his gross total income for the Assessment Year 2021-22 :

Salaries and wages	15,000	Gross profit	2,70,000
Rent and Taxes	4,000	Dividend from UTI	4,000
Domestic expenses	2,000	Rent from let out	10,000
TDS on interest	500	house	
Income tax	1,200		
Postal charges	1,500		
Donation	2,500		
Life Insurance premium	2,000		
Audit fees	1,500		
Bad debts reserve	1,800		
Bad debts	2,500		
Depreciation	5,000		
Net profit	2,44,500		
	2,84,000		2,84,000

Other information :

- a) Rent and Taxes include Rs. 2,000 paid as Municipal Tax.
- b) Value of Life Insurance Policy is Rs. 18,000.
- c) Donation was given to approved institution.
- d) Permissible depreciation was Rs. 4,000.

26. In what circumstances is the income of one person treated as the income of another ?

27. Describe any ten items of income which can be included under the head Income from Other Sources.

(2 × 10 = 20 marks)

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Name.....

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FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

B.B.A.

BBA 5B 10—FINANCE ELECTIVE—I—INCOME TAX

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. What is Gross Total Income ?
2. Who is Assessee in Default ?
3. A Ltd. is a foreign company. In the previous year 2020-21, its place of effective management is in India. Determine the residential status of A Ltd for the AY 2021-22.
4. What is Transferred Balance ?
5. What are the deductions allowed from the annual value of house property while computing income from house property ?
6. What is unabsorbed depreciation ?
7. Mr. B purchased a building on 10th August, 2018 for Rs. 3,00,000 and let out for business purposes @ Rs. 4,000 p.m. On 1st April 2020, he took possession of the building from the tenant and used the same for his own business purposes. Find out the actual cost for depreciation for the previous year 2020-21. Admissible rate of depreciation.
8. From the following compute taxable capital gain for the previous year 2020-21 :
 - (a) Indexed cost of residential house Rs. 2.5 crore.
 - (b) House sold in previous year 2020-21 Rs. 4.5 crore.
 - (c) Two new residential house purchased in previous year 2020-21 Rs. 0.75 crore.

Turn over

9. What is STCG ?
10. Define Casual income.
11. What is TAN ?
12. What is Tax holiday ?
13. What is Gratuity ?
14. How to calculate LTCG ?
15. Define Business.

(10 × 3 = 30 marks)

Section B

*Answer at least **five** questions.*

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. After serving 33 years and 9 months in Bharat Chemicals Ltd, Mr. X who is covered under the payment of Gratuity Act retires from services on 30th November 2020. The employer pays him a gratuity of Rs. 9,00,000. His monthly basic salary at the time of retirement was Rs. 30,000 and HRA Rs. 4,500.

You are required to determine the amount of gratuity exempt under section 10(10) of the Income Tax Act

17. Compute the income from house property from the following information :

Fair rent	—	Rs. 72,000
Let out	—	Rs. 7,000 p.m.
Standard rent	—	Rs. 60,000

Municipal tax paid @ 20 % of MV

Previous year 2019-20 Rs. 10,000

Previous year 2020-21 Rs. 10,000

Other information :

- (a) House remained vacant for two months during the previous year.
- (b) Unrealised rent allowed as deduction in the Assessment Year 2019-20 but received during the Previous Year 2020-21.
- (c) Expenditure incurred on collecting unrealized rent.
- (d) Arrears of rent received during the previous year.

18. Ram purchased a capital asset on September 10th, 2018 for Rs. 3,00,000. He converted this capital asset into stock in trade as on August 8th, 2020, the fair market value of the asset was Rs. 4,50,000. He sold this stock on January 5th 2021 for Rs. 5,50,000. Calculate total taxable Income.
19. What are the differences between GTI and TI ?
20. Income tax is charged on the income of the previous year. Do you fully agree with this statement? If not, what are the exceptions ?
21. Explain the capital assets exempt from tax ?
22. Mr. Shankar Lal's particulars of income are as under :
- He took a house on the rent of Rs. 1,000 per month and let it out again for Rs. 1,600 per month. Besides it, he received Rs. 5,000 rent from his ownership house.
 - Dividend from Indian Company Rs. 4,000 (Gross).
 - Speculation business profit Rs. 6,000 and Rs. 500 from cricket gambling.
 - Agricultural income from Pakistan Rs. 10,000 was not brought in India., Rs. 18,000 income from agricultural land situated in Kanpur.
 - Salary as an MLA Rs. 30,000 and daily allowances Rs. 4,000.
 - Share in HUF income Rs. 8,500.
 - Dividend received from co-operative society Rs. 6,000 Compute income from other sources.
23. What are the deduction allowable under section 57 ?

(5 × 6 = 30 marks)

Section C

*Answer any two questions.
Each question carries 10 marks.*

24. From the following information compute tax liability of Mr. Ram for the Assessment Year 2021-22.

	Rs.
(a) Income from house property (Computed) ...	80,000
(b) Interest on Government securities ...	10,000
(c) LTCG u/s 112 ...	50,000
(d) Income from business ...	10,55,000
(e) Agricultural income ...	1,00,000
(f) Amount withdrawn from PPF ...	50,000
(g) Purchased N.S.C VIII Issue ...	30,000
(h) Deposited in PPF ...	60,000
(i) Subscription to eligible issue of capital ...	35,000

Turn over

25. X is employed in Bharatpur Company Ltd. The population of the city is 7 lakh. The following information are available in connection with his income for the year ending 31st March 2021 :
- (a) Salary Rs. 10,000 p.m.
 - (b) CCA @Rs 1,000 p.m.
 - (c) Bonus @8% of basic pay.
 - (d) Employer contributes 15 % of his basic salary to RPF. X contributes an equal amount.
 - (e) A rent free accommodation equipped with furniture has also been provided. The cost of furniture is Rs. 80,000 (depreciation value being Rs. 64,800).
 - (f) An employer company gifted him Rs. 15,000 on his marriage anniversary during the previous year.
 - (g) The employer has appointed a gardener and a watchman. They are paid by the company at Rs. 1,000 p.m and Rs. 800 p.m respectively.
 - (h) He is also getting an education allowance for his two children @ Rs. 450 p.m for each.
 - (i) He paid Rs. 4,000 as professional tax for two years during the previous year.

Ascertain taxable salaries of X for the Assessment Year 2021 -22.

26. In what circumstances is the income of one person treated as the income of another ?
27. Describe any *ten* items of income which can be included under the head Income from Other Sources.

(2 × 10 = 20 marks)