

C 40020

(Pages : 4)

Name.....

Reg. No.....

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2023

(CUCBCSS—UG)

B.B.A.

BBA VIB 14—INCOME TAX (FINANCE SPECIALISATION)

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

*Answer all ten questions.
Each question carries 1 mark.*

Choose the correct answer :

1. Rate of income tax is fixed under :

- (A) The Income Tax Act. (B) The Finance Act.
(C) An Ordinance. (D) Notification of C.B.D.T.

2. Income from the rent of agricultural land is :

- (A) Agricultural Income. (B) Casual Income.
(C) Business Income. (D) Professional Income.

3. The maximum amount of deduction as entertainment allowance to a government employee is :

- (A) ₹ 5,000. (B) ₹ 7,500.
(C) 1/5th Salary. (D) Not at all.

4. The annual value of the vacant house property referred to in Sec. 23(2)(b) shall be :

- (A) Municipal value. (B) Fair rent.
(C) Standard rent. (D) Nil.

5. Out of the following which expense is not an admissible expense :

- (A) Bad Debts. (B) GST.
(C) Income Tax. (D) Excise Duty.

Turn over

Fill in the Blanks :

6. While calculating business income _____ portion of preliminary expense is allowed.
7. Salary of M.P. will be taxable under _____ head.
8. Loss from speculation business can be set off from _____.
9. Maximum deduction in respect of medical insurance premium paid for a senior citizen is _____.
10. The rate of health and education cess is _____.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any **eight** out of the ten questions in two or three sentences.

Each question carries 2 marks.

11. Who is called deemed assessee ?
12. What is the gross total income ?
13. What is agricultural income ?
14. Who is a non-resident individual ?
15. Give any *two* examples of income exempted under section 10 of the Income Tax Act.
16. What are Perquisites ?
17. What are the deductions allowed from the annual value of house property while computing the income from house property ?
18. Define a block of assets.
19. What is long term capital gain ?
20. What is sub-letting ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any **six** out of the eight questions in about 200 words.

Each question carries 4 marks.

21. Describe the section 54F under capital gains.
22. Write a short note on (a) Statutory Provident fund ; (b) Recognized Provident fund ; and (c) Unrecognized Provident fund.

23. Write a note on pre-construction interest.
24. Explain the income tax provisions relating to medical insurance premium for availing deduction under section 80D
25. Mr. Philip resides in Kanpur, He gets a basic salary of ₹ 2,00,000 and dearness pay ₹ 2,00,000 and house rent allowance of ₹. 1,50,000 per annum. He pays a rent of ₹ 1,80,000 per annum. Determine the amount of HRA chargeable to tax
26. Mr. Ram retires from a company on 4th January, 2022 after serving 16 years. At the time of retirement his basic salary was ₹ 88,000 per month and he was also entitled to dearness allowance of ₹ 16,000 per month. On the retirement, he received ₹ 12,00,000 as gratuity. He is covered under the Payment of Gratuity Act. Compute the taxable amount of gratuity
27. Amaranth is a citizen of India, He left for Iran on 18th April, 2021 and could not return to India till the end of the financial year 2021-22. Determine his residential status for the Assessment Year 2022-23.
28. Determine the Net Annual Value in the following cases :

Particulars	A (₹)	B (₹)	C (₹)
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

(6 × 4 = 24 marks)

Part IV (Essay Questions)*Answer any two out of the three questions in about 800 words.*

29. Explain the expressly allowed deductions from the business income.
30. From the following particulars calculate taxable salary income of Mr. Raju for the AY 2022-23 :

	₹
Salary ...	5500 p.m.
House Rent Allowance ...	2400 p.m.
Dearness Allowances ...	5000 p.m.
Entertainment allowances ...	1200 p.m.

Turn over

Mr. Raju and his employer contribute to recognized provident fund 14 % of salary. One small car is allowed to him by his employer both for private and official use. Expenses of car are borne by the employer. He lives in a rented house, monthly rent being ₹ 3,000. Mr. Raju is working at Meerut.

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

Fair Rent	...	80,000
Actual Rent	...	72,000
Municipal Valuation	...	50,000
Standard Rent	...	60,000
Municipal Taxes	...	20%
Interest paid	...	18,000

(2 × 15 = 30 marks)

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(Pages : 4)

Name.....

Reg. No.....

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

B.B.A.

BBA VIB 14—INCOME TAX (FINANCE SPECIALISATION)

(2014—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

*Answer all ten questions.
Each question carries 1 mark.*

Choose the correct answer :

1. PAN Stands for _____.
(a) Permanent Assessee Number. (b) Permanent Account Number.
(c) Permanent Assessment Number. (d) Permanent Association Number.
2. Which of the following income is not included in the term 'income' ?
(a) Profit and gains. (b) Dividend.
(c) Profit in lieu of salary. (d) Reimbursement of travelling expenses.
3. Income Tax Act came into force on _____.
(a) 1-4-1961. (b) 1-4-1962.
(c) 1-4-1956. (d) 1-4-1965.
4. In which of the following cases, income of previous year is assessable in the previous year itself ?
(a) Assessment of persons leaving India.
(b) A person in employment in India.
(c) A person who is into illegal business.
(d) A person who is running a charitable institution.
5. The current Finance Minister of India is _____.
(a) Nirmala Sitharaman. (b) P. Chidambaram.
(c) Shaktikanta Das. (d) Anurag Thakur.

Turn over

6. CBDT stands for _____.
7. _____ is a periodical payment received by an employee after his retirement.
8. _____ status of an assessee determines the scope of chargeability of his or her income.
9. The _____ is a capital asset held by an assessee for not more than 36 months immediately preceding the date of its transfer.
10. Tax, of which incidence and impact fall on the same person, is known as _____.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any **eight** questions out of the ten questions in two **or** three sentences.

Each question carries 2 marks.

11. What is meant by an allowance ?
12. What do you mean by fair rent and standard rent ?
13. What is meant by gratuity ?
14. What do you mean by a tax refund ?
15. What do you mean by indirect tax ? Give two examples.
16. What is meant by tax avoidance and tax evasion ?
17. What do you mean by an assessment year ?
18. What is double taxation ?
19. What do you mean by clubbing of income ?
20. What is Tax Deducted at Source ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any **six** questions out of the eight questions in about 200 words.

Each question carries 4 marks.

21. Explain briefly the various types of assessments.
22. List out any *eight* incomes which are charged under the head 'Income from other sources'.

23. Mr. Praveen came to India first time during the P.Y. 2020-21. Determine his residential status for the A.Y. 2021-22, if he stayed in India for the following days during the previous year :
- (a) 44 days.
- (b) 189 days.
24. What are Perquisites ? Explain any *six* tax-free perquisites.
25. Mr. Nameer has worked for a company for 8 years and 7 months and is covered by the Payment of Gratuity Act. At the time of his retirement, his monthly salary consisted of Basic Pay of Rs. 15,000, D.A. amounting to Rs. 8,000, and Commission of Rs. 5,000. He received Rs. 6,00,000 as Gratuity from the employer. Calculate the amount of gratuity chargeable to tax.
26. Ziya owns four houses in Chennai, all of which are let out. Compute the Gross Annual Value (GAV) of each house from the information given below:

<i>Particulars</i>	House I (in Rs.)	House II (in Rs.)	House III (in Rs.)	House IV (in Rs.)
Municipal Value	80,000	55,000	65,000	80,000
Fair Rent	90,000	60,000	65,000	75,000
Standard Rent	N.A.	75,000	58,000	78,000
Actual rent received/receivable	72,000	72,000	60,000	72,000

27. What do you mean by a provident fund ? What are the four types of provident funds ?
28. Mr. Johnson had purchased a golden ring as on 17/8/2020 for Rs. 21,000. On 1/05/2021, he has sewn a diamond on it costing Rs. 24,000. On 1/08/2021, he sold such ring for Rs. 82,500 and incurred brokerage for arranging customer Rs.7,500. Compute capital gain.

(6 × 4 = 24 marks)

Part IV (Essay Questions)

Answer any **two** out of the three questions in about 800 words.

Each question carries 15 marks.

29. From the following information, compute the taxable income for the assessment year 2020-21 under the head 'salaries' of Mr. Rajeev who is an employee of a tea company in Assam:
- a) Basic Salary Rs. 15,000 p.m.
- b) DA @ Rs. 5,000 p.m.
- c) Employer is paying the insurance premium of Rs. 15,000 p.a. on R's life.

Turn over

- d) He gets house rent allowance @ Rs. 2,000 p.m. He pays a rent of Rs. 2,500 p.m.
- e) The employer has given him a small car which he uses for his personal and office use. He meets the expenses of the car which is used for personal purposes.
- f) Education allowance for grandchild @ Rs. 400 p.m.
- g) Employer's contribution to recognized provident fund is @ 20 % of salary and the interest credited to this fund at 14 % rate amounted to Rs. 14,000.
- h) Medical expenses paid by employer Rs. 15,000.
- i) He took an advance salary of 2 months.
- j) The company provided him the facility of a gardener and a cook, each of whom is being paid a salary of Rs. 500 per month. The company also paid Rs. 5,000 for his electric bills and Rs. 3,000 for his water bills,
- k) The employer spent Rs. 2,500 on his refresher course.
- l) Profession tax paid by Mr. Rajeev is Rs. 2,500.

30. "Sec. 10 of the Income Tax Act enlists various incomes which are exempt from tax i.e., do not form part of the total income of the assessee". Explain in detail.

31. Mr. Amal's particulars of income were as under during the previous year 2019- 20 :

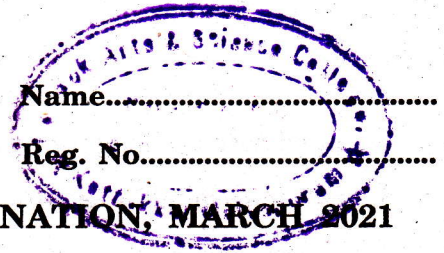
<i>Particulars</i>		<i>Amount (in Rs.)</i>
a)	Taxable income from salary ...	1,42,000
b)	Taxable income from House Property :	
	i) Income from House 'A' ...	40,000
	ii) Loss from House 'B' ...	17,000
	iii) Loss from House 'C' ...	15,500
c)	Business Income :	
	i) Profit from Business ...	1,97,000
	ii) Current year Depreciation ...	16,500
	iii) Previous trade losses ...	5,500
	iv) Speculation profit ...	5,000
d)	Capital Gains :	
	i) Short-term capital profit ...	16,000
	ii) Long-term capital profit ...	5,200
	iii) Long-term capital loss ...	12,500

Compute Gross Total Income after set -off of losses. Loss from House property brought forward for the assessment year is 9,000.

(2 × 15 = 30 marks)

C 1037

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SIXTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, MARCH 2021

(CUCBCSS—UG)

B.B.A.

BBA VIB 14—INCOME TAX (FINANCE SPECIALISATION)

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Questions)

Answer all questions.
Each question carries 1 mark.

Choose the correct answer :

1. Annual value of a self-occupied house will be :
 - (a) Municipal valuation.
 - (b) Fair Rental Value.
 - (c) Municipal value or FRV whichever is more.
 - (d) Nil.
2. In the case of a person resident in India, agricultural income from abroad is :
 - (a) Not taxable.
 - (b) Fully taxable.
 - (c) Taxable in some cases.
 - (d) Partly exempt from tax.
3. State which of the following income is exempted :
 - (a) Dearness Allowance.
 - (b) Foreign Allowance.
 - (c) City Compensatory Allowance.
 - (d) Medical Allowance.
4. For income tax purpose, house means :
 - (a) Dwelling house.
 - (b) Building for office use.
 - (c) Godown.
 - (d) All of these.
5. Interest on _____ securities is always grossed up.
 - (a) Tax free commercial.
 - (b) Less tax commercial.
 - (c) Government.
 - (d) Tax free government.

Fill in the blanks :

6. Income from buying and selling of house property is taxable under the head _____.
7. Loss from speculation business can be carried forward up to _____ years.

Turn over

8. Land becomes long term capital asset when held for more than _____.
9. Gift in cash up to Rs. _____ is not taxable.
10. Income tax in India is a _____ tax.

(10 × 1 = 10 marks)

Section B (Short Answer Questions)

Answer at least five questions.

Each question carries 4 marks.

All questions can be attended.

Overall Ceiling 20.

11. When does a H.U.F. become a non-resident ?
12. What is unabsorbed depreciation ?
13. What is unrealized rent ?
14. What is MMR ?
15. What is a capital asset ?
16. What do you mean by tax evasion ?
17. What is statutory provident fund ?
18. What is gross total income ?
19. What is cost inflation index ?
20. Mention any four items of allowances which are fully taxable.

(5 × 4 = 20 marks)

Section C (Short Essay Questions)

Answer at least four questions.

Each question carries 8 marks.

All questions can be attended.

Overall Ceiling 32.

21. Explain the treatment of encashment of earned leave.
22. How will you compute long term capital gains ?
23. What are the deductions allowed in computing income from house property ?
24. Explain the incidence of tax liability.
25. Mr. Arun, an Indian citizen, left India for the first time on 31st May 2015 and came back on 15th May 2018. He again left India on 10th June 2019 and came back on 14th January 2020. He is living in India since then. Determine his residential status during the previous year 2019-2020.

26. Mr. Madhu retired from service on 31st January 2020 after serving for 27 years and 5 months. His monthly remuneration at the time of retirement was Rs. 21,000, consisting of the following :

Basic Pay	... Rs. 10,000
Dearness Allowance	... 50% (forming part of pay)
Bonus	... Rs. 2,000
Commission	... Rs. 1,000
Travelling Allowance	... Rs. 3,000

At the time of retirement, he was given death cum retirement gratuity Rs. 2,20,000. Find out the taxable amount of gratuity for the year 2019-2020, if Mr. Madhu was an employee covered under Gratuity Act of 1972.

27. Mr. Ramachandran is the owner of a house which is let out during the previous year 2019-20. Following is the details of the house :

Fair Rental Value	... Rs. 1,36,000 per year
Actual Rent	... Rs. 4,000 per month
Municipal valuation	... Rs. 40,000 per year
Standard Rent	... Rs. 38,000 per year

Municipal tax is 10% of municipal valuation

Ground rent and collection charges	... Rs. 6,000
Interest on loan for construction	... Rs. 12,000

Compute income from house property.

28. Compute the taxable capital gain for the previous year 2019-20 from the following information of Mr. Kamal.

(a) Cost of acquisition of residential house in 2012-13	... Rs. 3,48,000
(b) Sale consideration on 1st June 2019	... Rs. 16,00,000
(c) Cost of acquisition of new house on 30th July 2019	... Rs. 3,00,000

Cost Inflation Index in 2012-13 and 2019-20 were 200 and 289 respectively.

(4 × 8 = 32 marks)

Section D (Essay Questions)

Answer any one question.

The question carries 18 marks.

29. Explain the various deductions allowable from Gross Total Income.

Turn over

30. Mrs. Aneesa is an Assistant Professor in a college. The details of her income for the previous year 2019-2020 are given below :

Basic salary	..	7,60,000
Income tax deducted from salary	..	72,000
Dearness allowance	..	36,000
Education allowance for two children (expenses Rs. 10,000)	..	5,000
Hostel allowance for one child (expenses Rs. 18,000)	..	7,200
House rent allowance	..	12,000
Allowance for research (expenses Rs. 5,500)	..	8,000

She contributes 10% of her salary to a statutory provident fund to which the college also makes a matching contribution. She gets reimbursed of Rs. 13,000 being expenses incurred on medical treatment of her daughter in a private clinic.

On 01/04/2019, she purchased a flat for Rs. 25,00,000 for own residence but let out the same at the rate of Rs. 1,20,000 per annum. Municipal tax paid Rs. 5,000.

She sold some jewellery (personal asset) for Rs. 12,60,000, purchased in June 2018 for Rs. 10,00,000.

During the year, she paid Rs. 11,600 as insurance premium on her life policy and paid Rs. 25,000 medical insurance premium for self and husband. She contributed Rs. 5,000 to a political party and donated Rs. 20,000 by cheque, to an orphanage approved under section 80G.

Compute her total income for the Assessment Year 2020-2021.

31. Mr. Murthy retired from a bank on 31/01/2020. He gives the following particulars of his income earned during the year ended 31/03/2020 :

Salary (after deducting tax on employment 2,000 and income tax 12,000)	..	1,80,000
Own contribution to RPF	..	8,000
Pension	..	15,000
Club bills paid by the employer	..	6,000

Particulars of his other incomes during the year are given below :

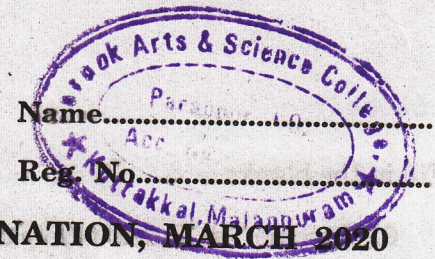
His share of profit from a partnership firm	..	50,000
His share of profit from the HUF in which he is a member	..	75,000
Amount received as interest on government securities	..	1,10,000
Rent received from house property (he could not collect one month's rent)	..	33,000
Municipal taxes due for the year on above	..	3,000
Long term capital gain	..	2,40,000
Lottery winnings received during the year	..	1,40,000

Compute his total income during the previous year 2019-2020.

(1 × 18 = 18 marks)

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SIXTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, MARCH 2020

(CUCBCSS—UG)

B.B.A.

BBA VIB 14—INCOME TAX (FINANCE SPECIALISATION)

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

Answer all ten questions.

Choose the correct answer :

1. Tax is charged on :
 - (a) Total Income.
 - (b) Income.
 - (c) Gross Total Income.
 - (d) Net Total Income.
2. Annual value of a self occupied house will be _____.
 - (a) Municipal valuation.
 - (b) Fair rental value.
 - (c) Nil.
 - (d) Standard rent.
3. When a business as a whole is let out, the income is assessed under :
 - (a) Business income.
 - (b) Income from other sources.
 - (c) Capital gains.
 - (d) Income from house property.
4. Agricultural income has been defined in _____ of the Income Tax Act.
 - (a) Section 10 (I).
 - (b) Section 2 (IA).
 - (c) Section 2 (24).
 - (d) Section 10 (IA).
5. A person satisfying none of the basic conditions but satisfying both the additional conditions :
 - (a) Resident and ordinary resident.
 - (b) Resident but not ordinary resident.
 - (c) Non-resident.
 - (d) None of the above.

Turn over

Fill in the blanks :

6. Income Tax Rules were passed in the year _____.
7. The maximum rent fixed by the Government under the Rent Control Act is called _____.
8. Profits on transfer of capital assets is assessed under the head _____.
9. The amount left after deductions under Chapter VI-A is called _____.
10. Deduction under Section 80 D is for _____.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any eight out of the ten questions in two or three sentences.

11. Who is liable to pay income tax ?
12. What do you mean by previous year ?
13. What is gratuity ?
14. What do you mean by 'set off and carry forward of losses' ?
15. What is standard rental value ?
16. What are prerequisites ?
17. Who is deemed assessee ?
18. What is capital expenditure ?
19. Who is an Assessee in default ?
20. What is partly agricultural income ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any six out of the eight questions in about 200 words.

21. Mr. X, a Russian citizen came to India for the first time on 01-04-2014 and stayed here for 2 years and left India on 01-04-2016. He again came to India on 05-06-2018 and went back to Russia on 23-12-2018. Determine his residential status for the assessment year 2019-20.
22. Who is a 'person' under Income Tax Act ?
23. What are the major objectives of taxation ?

24. List out four incomes which are neither included in total income nor is the income tax payable on them.
25. Mr. Gopan retired from a company on 31-12-2018 and his pension was fixed at Rs. 8,000 PM. He does not commute any part of his pension. Compute his taxable pension for the previous year 2018-2019 assuming the pension received on the last day of the month.
26. After serving 33 years and 9 months in a company Mr. D who is covered under the payment of Gratuity Act, retires from service on 30-11-2018. The employer pays him a gratuity of Rs. 3, 00,000. His monthly salary at the time of retirement was Rs. 10,000 and HRA Rs. 1,300. You are requested to determine the amount of gratuity exempt under section 10(10) of IT Act.
27. Calculate Annual Rental Value from the following details :

Municipal Rental Value Rs. 50,000

Fair Rental Value Rs. 60,000

Actual rent Rs. 8,000 p.m.

Standard Rental Value Rs. 70,000

During the year assessee could not realise rent for 3 months.

28. Enumerate the classes of receipts deemed to be profit and gains of business or profession under Section 41.

(6 × 4 = 24 marks)

Part IV (Essay Questions)

Answer any two out of the three questions in about 800 words.

29. Explain the allowances which are fully taxable.
30. Mr. Mahadev is the owner of a house. The municipal value of the house is Rs. 18,000. Municipal tax charged on the house was Rs. 4,000. He let out it for a rent of Rs. 2,000 p.m. He incurred the following expenses during the previous year :

Insurance premium ... Rs. 1,000

Repairs of the house ... Rs. 3,000

Interest on loan taken to repair the house ... Rs. 4,000

Compute the income from house property.

Turn over

31. From the following information, compute the taxable income under the head salaries of Mr. M for the Assessment Year 2019-2020 :

- (a) Salary Rs. 10,000 PM.
- (b) D.A. Rs. 1,500 PM.
- (c) Bonus equal to one month's salary.
- (d) Children Education Allowance Rs. 300 PM (For two Children).
- (e) Hostel allowance Rs. 400 PM (For one Child).
- (f) Entertainment allowance Rs. 450 PM.
- (g) Travelling allowance Rs. 800 P M. Actual expense Rs. 6,750.
- (h) Fixed medical allowance Rs. 200 PM.

(2 × 15 = 30 marks)

C 60022

(Pages : 4)

Name.....

Reg. No.....

SIXTH SEMESTER B.B.A DEGREE EXAMINATION, MARCH 2019

(CUCBCSS)

B.B.A.

BBA VIB 14—INCOME TAX

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

Answer all ten questions.

Each question carries 1 mark.

Fill in the blanks :

1. For a payment to be considered under the head salaries, the relationship of _____ and _____ must exist between the payer and receiver of the salary.
2. The limit for deduction u/s 80 C is _____.
3. Rate of tax for long term capital gains is _____.
4. Any amount received by a government servant as commutation of pension is _____.
5. Gift received by an assessee is taxable under the head _____.

Choose the correct answer :

6. Maximum deduction allowed u/s 16 (iii) shall be _____.
(a) Actual amount. (b) Rs. 5,000.
(c) 2 % of employee's salary. (d) 9.5 % of salary.
7. An Individual who wants to be resident of India u/s 6 (i) (a) must stay in India for at least :
(a) 182 Days. (b) 365 Days.
(c) 730 Days in 7 previous years. (d) 210 Days.
8. Salary received by a member of parliament is :
(a) Exempt from tax.
(b) Taxable as salary income.
(c) Taxable as business income.
(d) Taxable as income from other sources.

Turn over

9. If the house is vacant throughout the year, its annual value is equal to _____.
- (a) Municipal vale. (b) Standard rent.
(c) Nil. (d) None of these.
10. Gratuity received by a Government Employee is _____.
- (a) Fully taxable. (b) Fully exempted.
(c) Exempted up to Rs. 3,00,000. (d) Exempted up Rs. 5,00,000.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any **eight** out of the ten questions in two or three sentences.

Each question carries 2 marks.

11. Define Capital asset.
12. What is transferred balance ?
13. What do you mean by fair rental value ?
14. What do you mean by unabsorbed depreciation ?
15. Who is a person for Income Tax purposes ?
16. What do you mean by clubbing of incomes ?
17. What is Maximum Marginal Rate ?
18. What is Gross Total Income ?
19. What is less tax Government a Security ?
20. What is composite Rent ?

(8 × 2 = 16 marks)

Part III (Short Answer Questions)

Answer any **six** out of the eight questions in about 200 words.

Each question carries 4 marks.

21. What are tax free perquisites ?
22. Distinguish between capital and revenue loss.
23. Define annual value and state the deductions that are allowed from the annual value in computing income from house property.
24. What is transfer for the purpose of capital gains ?

25. Mr. Ram is an employee in Mumbai. He resides in a rented house for which he pays monthly rent of Rs. 4000. He receives house rent allowance from the employer at the rate of Rs. 5,500 per month. Along with HRA, his monthly salary consists of the following :

- (a) Basic pay—Rs. 2,000.
- (b) Dear allowance—Rs. 4,000.
- (c) Uniform allowance—Rs. 200.
- (d) Bonus—Rs. 1,000.

Compute taxable portion of HRA, if any for the year 2017-18.

26. A company took a house on rent and allotted it to its employee. From the following information find out the value of perquisites of accommodation :

	Rs.
(a) Rent paid for the year	60,000
(b) Salary	50,00,00
(c) Cost of furniture provided in the house	60,000
(d) Rent charged from the employee per month	1,000

27. Mr. Abraham, an English Citizen, leaves India after 10 years of stay on 15.6.2016 to settle down in Japan for doing business. During 2017-18, he visits India on 3-1-2018 and leaves on the last day of March 2018. Determine his residential status for the year 2017-18.

28. Mr. Jose availed a loan of Rs. 10,00,000 in 1983-84 for the construction of a house. Later he took extension loan for the house twice, Rs. 7,00,000 in 1989-90 and 3,00,000 in 1998-99. He sold the property in January 2018 for Rs. 75,00,000. Selling commission amounted to Rs. 75,000.

Compute capital gain assuming that the fair market value of the house on 1-04-2001 was Rs. 30,00,000.

(6 × 4 = 24 marks)

Part IV (Short Answer Questions)

Answer any **two** out of the three questions in about 800 words.

Each question carries 15 marks.

29. How residence of an individual is determined for income Tax purposes ? Explain the incidence of residence on tax liability.

Turn over

30. Mr. Ravikumar is employed in Chennai in a Public limited company on annual salary of Rs. 10,00,000. The company gives the salary as follows :

	Rs.
Basic salary	7,00,000
Travelling allowance	20,000
Medical allowance	20,000
Special allowance	12,000
House rent allowance	1,20,000
Employee's contribution to RPF	60,000
Company's contribution to RPF	60,000
Deposit to Approved gratuity fund	8,000
Total	10,00,000

Mr. Ravikumar lives in a rented house paying monthly rent of Rs. 15,000. During the year 2017-18. He paid tax on employment Rs. 2,000.

Compute income from salary for the assessment year 2018-19.

31. From the following Profit and Loss Account of Mr. Jain, ascertain taxable profit.

Profit and Loss Account for the year ended 31.3.2018

	Rs.		Rs.
Salaries	14,800	Gross profit	1,25,000
General expenses	12,550	Miscellaneous receipts	2,000
Bad debts reserve	3,000	Commission earned	4,000
Income Tax	1,500	Interest on Govt. Securities	3,000
Gifts and presents	2,000	Dividend from Indian company	10,000
Life insurance premium	1,300		
Fire insurance premium (Shop)	1,000		
Commission paid	15,000		
Audit fee	2,750		
Interest on capital	4,500		
Discounts allowed	6,000		
Trade expenses	24,500		
Net profit	55,100		
	1,44,000		1,44,000

Depreciation allowance eligible to the business is Rs. 6,500. General expenses include Rs. 4,000 being the cost of a table purchased for domestic use. Commission paid in cash.

(2 × 15 = 30 marks)

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(Pages : 4)

Name.....

Reg. No.....

SIXTH SEMESTER B.B.A. DEGREE EXAMINATION, MARCH/APRIL 2018

(CUCBCSS—UG)

BBA VIB 14—INCOME TAX

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

Answer all ten questions.

Choose the correct answer :

1. _____ is / are empowered to levy and collect income tax.
 - (a) State governments.
 - (b) Central Government.
 - (c) RBI.
 - (d) Local self government department.
2. CBDT is controlled by _____.
 - (a) Central Government.
 - (b) State Government.
 - (c) Both (a) and (b).
 - (d) None of the above.
3. Who is the assessee in case of an HUF ?
 - (a) Father.
 - (b) Spouse.
 - (c) Karta.
 - (d) Deemed Karta.
4. Section 10 of Income Tax Act deals with.....
 - (a) Deductions.
 - (b) Exempted incomes.
 - (c) Income from salary.
 - (d) Casual incomes.
5. The number allotted by income tax authorities to assesseees for identification and which should be quoted in all documents and correspondence is _____.
 - (a) I. D. No.
 - (b) Register No.
 - (c) Permanent Account Number (PAN).
 - (d) Licence No.

Turn over

Fill in the blanks :

6. Income Tax Act came into force on _____.
7. The rent fixed by local authorities for a building for levying local taxes is called _____.
8. Donation is deductible u/s _____.
9. Rate of depreciation on buildings used for residential purpose is _____.
10. As per the first basic condition to determine residential status, a person should have been in India during the previous year concerned for _____.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any eight out of the ten questions in two or three sentences.

11. What do you mean by previous year ?
12. Who is an Assessee ?
13. What is standard rental value ?
14. What is unabsorbed depreciation ?
15. What is a capital asset ?
16. What is surcharge ?
17. What are prerequisites ?
18. What is municipal rental value ?
19. Who is deemed assessee ?
20. What do you understand by residential status ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any six out of the eight questions in about 200 words.

21. What is agricultural income ?
22. What is gross total income ?

23. Compute tax liability of Miss. Remya Raju, a school teacher for the assessment year 2017-2018 from the following details :

(a) Income from salary	Rs. 3,15,000
(b) Income from house property	Rs. 1,35,000
(c) Income from other sources	Rs. 1,50,000
(d) Short term capital gain	Rs. 2,50,000

All the above incomes are after computation.

24. Compute tax liability from the incomes given below:

Non-agricultural income	Rs. 2, 52,000
Agricultural income	Rs. 89,400

25. What are the incomes included in the term salary ?

26. Mr. B was an employee of M/s. Geojit. After 42 years of service he retired on 28-02-2017. He was drawing an average monthly salary of Rs. 6,000 from 1-1-2013. On retirement he received a gratuity of Rs. 1, 26,000. Determine the taxable amount of gratuity.

27. What are the types of rental value ?

28. Calculate annual rental value from the following details :

Municipal rental value	Rs. 50,000
Fair rental value	Rs. 60,000
Actual rent	Rs. 8,000 per month
Standard rental value	Rs. 70,000

During the year assessee could not realise rent for 3 months.

(6 × 4 = 24 marks)

Part IV (Essay Questions)

Answer any two out of the three questions in about 800 words.

29. Miss. A has a property whose valuation is Rs. 1,30,000 per annum. The fair rent is Rs. 1,10,000 and standard rent fixed under Rent Control Act is Rs. 1,20,000 per annum. The house was let out for a rent of Rs. 11,000 per month. The unrealised rent was Rs. 11,000 and all conditions were satisfied. She paid municipal taxes at 10% of municipal valuation. Interest on borrowed capital was Rs. 40,000. Compute income from house property of Miss. A.

30. What are allowances ? Explain the allowances which are fully taxable.

Turn over

31. Mr. A presents the following Profit and Loss Account for the year ended 31-03-2017 :

Particulars	Rs.	Particulars	Rs.
To General expenses	12,000	By Gross profit	4,15,500
To Bad debts	20,000	By Commission	9,000
To Advance tax	11,000	By Brokerage	40,000
To Insurance	750	By Bad debts recovered	15,000
To Salary to staff	30,000	By Interest on debentures	28,000
To Salary to Mr. A	22,000	(Include TDS Rs. 3,000)	
To Interest on overdraft	2,000		
To Interest on loan to Mrs. A	42,000		
To Interest on capital	23,000		
To Advertisement	9,000		
To Depreciation	35,000		
To Net profit	3,00,750		
	5,07,500		5,07,500

Additional Information

- Depreciation allowable is Rs. 40,000.
- Income of Rs. 10,000 accrued during the year, has not been recorded in Profit and Loss Account.
- Mr. A pays Rs. 8,000 as life insurance premium on own life insurance.
- Bad debts recovered pertain to the previous year 2011-12 which was allowed in that year.

Compute income from business for the assessment year 2017-18.

(2 × 15 = 30 marks)