

**Class-BBA VI<sup>th</sup> Sem.**  
**Subject – Income Tax**

Time Allowed : 3 Hrs

Maximum Marks :50

**Section – A**

**Note:-** Attempt any 10 out of 12 questions. Each carries 1 mark.

- (i) What is 'Previous year'?
- (ii) Diversion of income vs. application of income.
- (iii) What is 'Maximum Marginal Rate'?
- (iv) What do you mean by 'block of assets'?
- (v) What is 'Pension'?
- (vi) Leave Encashment
- (vii) Slump sale
- (viii) Cost of Acquisition
- (ix) Tax free securities
- (x) Agricultural income
- (xi) Meaning of Transfer
- (xii) Self generated assets

**Section-B**

**Note:-** Attempt any two questions. Each question carries 10 marks.

- 2. What are the different categories of assesses according to their residential status? How would you

determine the residential status of an individual and a firm?

3. Discuss the incomes which are neither included in total income nor income-tax is payable on them.

4. Mr Rahul, Manager of a textile company at Bangalore (Population 60 Lac) submits the following particulars of his income for the financial year 2014-15 :-

1. Basic salary ₹18,750 p.m.
2. D.A ₹4000 p.m (₹1600 p.m enters into retirement benefit).
3. Education allowance for two children at ₹250 p.m per child & hostel allowance for two children at ₹450 p.m per child.
4. Commission ₹4000
5. Employer's contribution to RPF ₹30,500 in P.Y.
6. Entertainment allowance ₹1700 p.m.
7. Travelling allowance for his official tours ₹30,000, Actual expenditure on tour ₹22,000. During one of official tours to Bombay, his wife accompanied him and expenditure incurred by employer to provide this facility to his wife is ₹20,000 whereas only ₹8000 is recovered from Rahul.

8. Interest credited to RPF account in P.Y @ 10% amounted to ₹10,000
9. He resides in bungalow of company. Its fair rent is ₹8000 p.m. Company deduct ₹1875 p.m from salary as rent of bungalow.
10. A watchman & cook has been provided by company at bungalow who were paid ₹400 & ₹500 p.m respectively
11. Encashment of earned leave ₹15000.
12. He paid professional tax of ₹250 p.m.
- Compute his taxable salary income for A.Y 2015-16.
5. Following are particulars of 2 let out houses of Mr. Ashok Jain.

	House-A	House-B
Municipal valuation	4,20,000	3,50,000
FRV	3,60,000	3,80,000
Standard Rent	4,40,000	3,20,000
Actual Rent	4,80,000	4,20,000
Unrealized rent of current year	40,000	35,000
Vacancy	2 months	2 months

**Municipal Taxes**

Actually paid.	12,000	25,000
Due but not paid.	30,000	10,000
Repair	10,000	8,000
Insurance premium	12,000	6,000
Other expenses	8,000	10,000
Interest on money borrowed for	—	60,000

the purchase of house.

Compute Mr. Ashor's income from house property.

2×10=20

**Section-C**

**Note:-** Attempt any 2 out of 4 questions. Each carries 10 marks.

6. Write a Note on 'Capital gain exempted U/s 54'.

and

Ludhiana improvement trust compulsorily acquired 3 acres of agricultural land in urban area of Ludhiana in Feb 2008 and paid a compensation of ₹30 Lac. On being dissatisfied with the compensation the assessee filed a suit in Punjab High Court and the Honorable Court enhanced the compensation upto ₹50 Lacs & he received the enhanced compensation in June 2014. Assessee had acquired this land in Oct 1984 @

₹1 Lac per acre. Assessee spent ₹50,000 on a legal battle to prevent the improvement Trust from acquiring his land and spent another ₹1 Lac to get enhanced compensation.

Compute the income under head 'Capital Gains' C.I.I for 1984-85 is 125 and for 2007-08 is 551 and for 2014-15 it is 1024.

7. Explain the provisions of Income-tax Act 1961 regarding carry forward & set-off of losses.
8. Under what circumstances income of other persons can be included in income of assessee, under Income-tax Act, 1961?
9. The following particulars are given by M.D Mathur, Madras, in respect of his annual income for the year ended 31<sup>st</sup> March 2015.
  - (i) Consolidated salary till 30-9-14 at ₹13,500 p.m and from 1-10-14 ₹14000 p.m
  - (ii) House rent allowance at 20% of salary.
  - (iii) Actual house rent paid ₹3500 p.m
  - (iv) Contribution to recognised provident fund by self and employer each @ 12% of salary.
  - (v) Life Insurance Premium paid ₹1200 (sum assured ₹20,000 and policy taken on 1-4-2013)
  - (vi) Leave Travel Allowance received ₹32,700 and ₹20,000 was spent on travel to home district under LTC

- (vii) Bonus ₹20,000
- (viii) Interest on Term Deposit ₹29000, Income from UTI ₹3000, Interest on debentures of Ponds India Ltd ₹21750, Dividend from co-op society ₹15000, Interest on Govt securities ₹13000
- (ix) LTCG ₹30,000 & STCG on shares ₹20,000 (STT paid)
- (x) Medical expenses incurred in private hospital for treatment of self ₹5000 reimbursed ₹2500.
- (xi) Rent received from tenant of own house property ₹9600, municipal taxes paid ₹600.

Show computation of Taxable income if salary is due on Last date of month

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