

BBA - 6th Sem.

(2517)

Paper: BBA-603: Income Tax

Time Allowed: 3 hrs.

Max. Marks: 50

Section-A**Note:** Answer any TEN questions. Each question carries 1 mark. (10x1=10)

1.
 - a) Define the term "Assessee".
 - b) What is Partly Agricultural Income?
 - c) What is Public Provident Fund?
 - d) What is Unrealised Rent?
 - e) Give any two inadmissible deductions under profits and gains of Business or Profession.
 - f) Define Short Term Capital Assets.
 - g) What is Cost Inflation Index?
 - h) What do you mean by Less-Tax Non-Government Securities?
 - i) How can you Set-Off Speculative Loss?
 - j) Define the term "Gifts".
 - k) What is Sub-Letting?
 - l) Distinguish between Previous Year and Assessment Year.

Section-B**Note:** Answer any TWO questions. Each question carries 10 marks. (2x10)

2. Explain the concept of "Exempted Incomes". Discuss in detail the Exempted Incomes under the Income Tax Act.
3. What Deductions are Expressly Allowed in Computing Profits and Gains from Business? Discuss them in detail.
4. A, B and C are three friends owning equally a house property consisting of six identical units. It was constructed on 1 July 2013. One Unit is self-occupied by each one of them for their residence. The remaining 3 units are let-out on a monthly rent of Rs.7,500 per unit. The municipal value of the house property is Rs.5,00,000 and the municipal tax is Rs.1,25,000 (Rs.25,000 due). The other expenses were as under:

i) Collection Charges	Rs. 7,500
ii) Insurance premium paid	15,000
iii) Interest on loan taken for construction of house	1,62,500

One of the let-out units remained vacant for 2 months during the financial year. Mr. B could not occupy his unit as he was transferred to some other city. He does not own any other house property. The other taxable income of A, B and C are Rs.1,50,000, Rs.2,00,000 and Rs.3,00,000 respectively. Compute the taxable income under the head income from House Property and also the total income of three friends for the Assessment Year 2017-18.

5. Compute taxable income under the head salary of Mr. Z (an employee of the company) for the assessment year 2017-18.

a) Salary @ Rs.4,000 p.m. (serving since 1.4.1998)	Rs. 48,000
b) Entertainment allowance	5,000
c) Bonus	10,000

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d)	Dearness Allowance (not recognised for computing Retirement benefit)	2,000
e)	Employer's contribution to provident fund (recognised)	4,000
f)	Education allowance for one child	2,700
g)	Lunch Allowance	7,200
h)	Rent-free unfurnished quarters (valued)	6,000
i)	Medical expenses met by employer	600
j)	Reimbursement of hotel bills (necessary for duty)	100
k)	Employee's contribution to provident fund	2,000
l)	Premium of Mrs. Z's life policy of Rs.50,000	6,000
m)	Purchase of books necessary for duty	1,000
n)	Share of HUF	50,000

Section-C

Note: Answer any TWO questions. Each question carries 10 marks. (2x10)

6. What do you mean by Transfer of Capital Asset? Discuss in detail the various transactions not regarded as Transfer.
7. Explain the Provisions regarding Set-Off and Carry Forward of Losses related to various Heads.
8. Mr. Hariom submits the following particulars about sale of assets during the Year 2014-2015.

	Jewellery (Rs.)	Plot (Rs.)	Gold (Rs.)
Sale price	4,80,000	18,24,000	3,30,000
Expenses on sale	Nil	24,000	Nil
Cost of acquisition	50,000	2,00,000	80,000
Year of acquisition	1987-88	1984-85	1999-2000
C.I.I.	150	125	389

He has purchased a house for Rs.12,60,000 on 1.3.2015. Calculate the amount of taxable capital gain if C.I.I. for 2014-15 is 1024.

9. Mr. D. aged 55, resident of India furnishes the following information for the previous year ended 31.03.2017.

(a)	House property income (net)	18,500
(b)	Business income	5,000
(c)	Capital gains (short term)	22,000
(d)	Capital gains (long term)	2,500
(e)	Income from horse race	15,000
(f)	Income from card games	16,000
(g)	Additional information are as follows:	
	(i) Brought forward business loss for A.Y.2008-09	12,000
	(ii) unabsorbed depreciation for A.Y.2014-15	6,000
	(iii) long term capital loss for A.Y. 2013-14	12,000
	(iv) loss from horse race in A.Y. 2013-14	8,000
	(v) speculative loss for A.Y.2012-13	10,000

Mr. D. has taken life insurance policy for his major son working in a software company for a salary of Rs.5,00,000 per annum. He has paid a premium of Rs.60,000 in cash for a capital sum assured of Rs.4,00,000. He has paid PPF of Rs.70,000 by raising a hand loan from his friend. Calculate total income and tax liability.

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