

Exam. Code : 105406

Subject Code : 1405

Bachelor in Business Administration 6th Semester

INCOME TAX

Paper—BBA-603

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION—A

1. Attempt any **TEN** questions. Each question carries
1 mark. 10×1=10
- (a) Define the term “Previous Year”.
 - (b) What is Income Tax ?
 - (c) Define the term “Deemed Assessee”.
 - (d) What is Agricultural Income ?
 - (e) Give any 2 examples of Incomes exempted under Section 10 of Income Tax Act.
 - (f) What is House Rent Allowance ?
 - (g) What do you mean by Co-ownership of Property ?
 - (h) What is Indexed cost of acquisition ?
 - (i) What is Capital Asset ?
 - (j) What is Statutory Provident Fund ?
 - (k) What is meant by Grossing up of interest ?
 - (l) Distinguish between Gross total income and Total income.

SECTION—B

Answer any **TWO** questions. Each question carries **10** marks. 2×10=20

2. What are Perquisites ? Explain its various types in detail under the Head Salaries.
3. Exempted income is that income on which income tax is not chargeable. Discuss them in detail.
4. The particulars of a residential house are given below for the Assessment Year 2017-2018 :

	Rs.
Municipal value	44,000
Fair rent	48,000
Standard rent	36,000
Actural rent	37,200
Municipal taxes paid	8,800
Ground rent payable	60
Interest on money borrowed for construction	5,000
Collection charges actually paid	300

The Assessee mortgaged the property for Rs. 36,000 which was spent on his daughter's marriage. The assessee paid interest of Rs. 3,000 on the mortgage loan this year. Compute his income from House Property.

5. Mr. Om is a cloth merchant. From the following Profit and Loss A/c for the year ended 31st March, 2017. Compute his income from business and his gross total income for the Assessment Year 2017-2018.

Profit and Loss Account

	Rs.		Rs.
Trade Expenses	450	Gross Profit	2,35,900
Establishment Charges	2,200	Dividends from Co-operative Society	2,600
Rent, rates & Taxes	1,400	Rent from property	500
Discount & Allowance	200	Bad debts recovered	2,000
Income tax	700	(Allowed as deduction in an earlier year)	
Advertisement expenses	1,450		
Postage & telegrams	100		
Gifts and presents for Publicity	125		
Fire insurance premium	250		
Charities	375		
Donations	400		
Repairs and renewals	250		
Audit fees	250		
Net profit transferred to capital account	2,32,850		
	2,41,000		2,41,000

SECTION—C

Note :— Answer any **TWO** questions. Each question carries **10** marks. 2×10=20

6. What do you mean by Clubbing of Income ? Explain in detail.
7. Discuss in detail the various “Deductions” to be made in computing Total Income of an assessee.
8. Mr. Ram sells his only residential house in Mangaluru on 24th August, 2016 for Rs. 55,00,000 and incurs an expenditure of Rs. 1,00,000 in connection with The Transfer. Cost of acquisition of the house for him in 1978 was Rs. 1,80,000 and on 1st April, 1981 the fair market

value was Rs. 4,00,000. On 16th January 2017 he deposits Rs. 8,00,000 in the Capital Gains Account Scheme.

Compute the taxable Capital Gains for the Assessment Year 2017-2018. The Cost inflation index for 1981-1982 was 100 and for 2016-2017 it was 1125.

9. From the following particulars, calculate the total income of Mr. X for the Assessment Year 2017-2018 :

	Rs.
(1) Salary p.m.	24,000
(2) Dearness allowance p.m.	2,400
(3) House rent allowance p.m.	4,000

(rent paid Rs. 6,000 p.m. in Delhi)

House property is let-out on a monthly rent of Rs. 2000. The Municipal value of the house property is Rs. 30,000. Municipal Tax paid is Rs. 1,800 for whole year. Interest payable on capital borrowed for the construction of the house is Rs. 6,000. Re-payment of the house building loans taken from friends is Rs. 5,000 and from Life Insurance Corporation is Rs. 3,000.

(4) Interest on savings bank A/c	7,000
(5) Interest on P.P.F. A/c	2,000
(6) Income from units of Mutual Fund	4,000
(7) Life Insurance Premium	6,000
(8) Contribution to Public Provident Fund	16,000
(9) Interest accrued on N.S.Cs VIII Issue	4,000

The construction of the building was completed on 1st January, 2012.