

Exam. Code : 105406
Subject Code : 1400

Bachelor in Business Administration 6th Semester
INCOME TAX
Paper—BBA-603

Time Allowed—2 Hours] [Maximum Marks—50

Note :—There are **EIGHT** questions of equal marks.
Candidates are required to attempt any
FOUR questions.

1. Define the following with the help of suitable examples :
 - (a) Person
 - (b) Types of Assesses.
2. Mr. Pawan is engaged in export business and visits Germany very frequently. From the particulars given below, determine his residential status for P.Y. 2020-21 :

Previous Year	Stay in Germany	Previous Year	Stay in Germany
2013-14	187 days	2017-18	70 days
2014-15	140 days	2018-19	225 days
2015-16	305 days	2019-20	306 days
2016-17	65 days	2020-21	283 days

3. Discuss the concept of perquisites and illustrate how are they treated for Income Tax purposes.

4. Ms. Muskan has prepared the following P & L A/c for the year ending March 31, 2021 :

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Salaries	8,000	Gross Profit	30,800
Advertisements	4,000	Rental income (50% portion)	18,000
Sundry Expenses	4,500	Dividends from UTI	4,000
Interest on Capital	2,000	Winnings from Lottery (Gross)	20,000
Fire Insurance (Rs. 1,000 relates to House Property)	3,000	Interest on tax free Govt. Securities	2,000
Income Tax & Wealth Tax	7,000		
Household Expenses	2,500		
Bad Debts	1,000		
Provision of bad debts	500		
Repairs of house property	1,000		
Municipal taxes of house property	3,600		
Insurance premium on own life	6,000		
Donation to P.M. Relief Fund	2,000		
Depreciation (allowable)	3,700		
Net Profit	26,000		
	74,800		74,800

She owns a house property which is being used by her for the following purposes :

- 25% of the carpet area for her own business purpose
- 25% of the carpet area for the purpose of residence
- 50% of the carpet area is let out for residential purposes

Compute the business income for A.Y. 2021-22.

5. Determine the taxable Capital Gains in the following cases separately :

- Ms. Sehajpreet purchased a house on 1-5-1995 for Rs. 4,60,000. She sold the house on 10-6-2017 (CII : 272) for Rs. 20 lakhs. On 14-7-2017, she purchased another house at Chandigarh for Rs. 4 lakhs. She did not own any other house property.
- Mr. Kulbir sold a plot on July 10, 2017 (CII : 272) for Rs. 6,05,000; Cost of acquisition on June 15, 2007 (CII : 129) was Rs. 1,50,000; selling expenses amounted to Rs. 5,000. On August 10, 2017 he made the following investments : Purchase of bonds of NHAI notified u/s 54EC for Rs. 1,00,000 and also invests Rs. 3,50,000 in a residential house at Delhi on July 10, 2017. He does not own any other residential house.

6. Discuss the terms 'Capital Asset', 'Capital Gain' and 'Cost of Acquisition'. Also discuss the procedure of computation of Capital Gains as prescribed by IT Act, 1961.
7. Explain the various provisions regarding carry forward and set off of losses as provided by IT Act, 1961.
8. Ms. Ashmeet received the following incomes during F.Y. 2020-21 :

(i) Insurance commission received from LIC	10,656
(ii) Cloth business profits	2,75,000
(iii) She made the following payments during the year :	
(1) Deposit in National Saving Scheme, 1992	10,000
(2) Payment to Jeevan Dhara Policy	500 p.m.
(3) Investment in units of mutual funds so notified u/s 80 C as ELSS	10,000
(4) Donations given to :	
• National Children Welfare Fund	2,500
• P.M. National Relief Fund	5,000

• Gujarat Earthquake Relief Fund	2,000
• P.M. Students Aid Fund	2,000
• Punjab CM Earthquake Relief Fund	2,000
• Local Authority to promote Family Planning	2,000
• Approved Public Charitable Trust	10,000
• National Fund for control of Drug Abuse	4,000
(iv) Also, she paid Rs. 6,000 by cheque to General Insurance Corporation under Mediclaim.	

Calculate her total income and deductions applicable.