

Exam. Code : 105406

Subject Code : 1421

**Bachelor in Business Administration 6<sup>th</sup> Semester**

**INCOME TAX**

**Paper : BBA-603**

Time Allowed—3 Hours]

[Maximum Marks—50

**Note :—** Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

**SECTION—A**

1. Define the concept of Previous Year with a suitable example. What are the exceptions to the general rule that income of previous year is charged to tax during assessment year ?
2. Write short notes on :
  - (a) Exempted incomes
  - (b) Agriculture incomes.

**SECTION—B**

3. Ms. Kashish is an employee of ABC Ltd. And receives the following salary and perquisites from her employer

during the previous year 2020-21 : Basic salary as Rs. 4,50,000 p.a. ; Bonus on profit as Rs. 17,500; Commission on sales @ 2 per cent of turnover achieved of Rs. 28,50,000 by him; Advance salary for April 2021 as Rs. 37,500. Employers contribution towards R.P.F. @ 5,500 p.m. ; Interest credited in P.F. A/c @ 12.5 per cent being Rs. 8,700; Travelling Allowance as Rs. 400 which is being fully utilized for official purposes. A rent free furnished house in Mumbai (rent of unfurnished house paid by employer Rs. 96,000 and rent of furniture as Rs. 12,000). Free services of gardener (expenses of Rs. 3,000), free services of watchman (expenses of 4,200), free service of cook (salary of Rs. 3,000), free supply of ration (expense of Rs. 7,500). All these free services are provided and expenses on this behalf are borne by employer. Calculate the taxable salary income for Ms. Kashish for A.Y. 2021-22.

4. Define Annual Value. What deductions are allowed from annual value in computing taxable income from house property ?

#### SECTION—C

5. Write short notes on :
- (a) Transfer of Asset
  - (b) Capital Gains exempted from tax.

6. Following are the particulars of assets sold during the P.Y. 2017-18. Calculate the taxable amount of capital gains if C.I.I. for 2017-18 is 272 :

Assets	Year of Acquisition	C.I.I.	Cost of Acquisition	F.M.V. as on 1-4-2001	Selling Expenses/ Brokerage	Selling Price
Shop	1995-96	-	50,000	1,40,000	10,000	5,20,000
Jewellery	1998-99	-	60,000	1,45,000	-	5,50,000
Shares	2003-04	109	90,000	-	2,000	2,50,000
Shares	2007-08	129	18,000	-	1,000	30,000
Plant (Depreciable)	2003-04	109	4,00,000 (WDV)	-	-	7,00,000
Residential house	2004-05	113	2,00,000	-	-	5,90,000

#### SECTION—D

7. Mention the different kinds of incomes specifically mentioned as chargeable to tax under the head 'income from other sources'.
8. Ms. Shaina had gross total income of Rs. 10,00,000 which included Rs. 10,000 as long term capital gain for A.Y. 2020-21. During the year, she made the following donations :

Particulars	Amount
(a) National Defence Fund	10,000
(b) P.M. National Relief Fund	1,00,000

Particulars	Amount
(c) Family Planning Association of India	40,000
(d) Congress Party (Recognized Political Party)	1,00,000
(e) IIT Delhi (notified as Institute of national Eminence)	50,000
(f) To a notified Charitable Hospital	50,000
(g) To Clean Ganga Fund	20,000

In addition, she paid life insurance premium of Rs. 25,000 on a policy of Rs. 2,00,000 which she acquired on March 10<sup>th</sup>, 2020. You are requested to advise her and compute the relief in respect of donations and life insurance premium.