

FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022

BBA HONOURS

GBAH5E01T: DIRECT TAXES

Time: 3 Hours

Maximum Marks: 80

PART A: Answer all the questions. Each carries 1 mark.**Choose the correct answer.**

1. Indian income tax act was passed in the year.
A) 1961 B) 1947 C) 1860 D) 1950
2. Rate of income tax are fixed by.....
A) State government B) An ordinance C) Finance Act D) Income tax Act
3. Salary of M P is taxable under the head.
A) Income from salary B) Income from other source C) none of this D) Both A&B
4. The rate of long term capital gain tax is.....
A) 20% B) 10% C) 30% D) None of this
5. The amount of standard deduction allowed under the head income from salary is
A) 100000 B) 50000 C) 150000 D) None of this

Fill in the Blanks.

6. Incidence of tax depends upon _____
7. C B D T Stands for _____
8. The rent fixed as per Rent Control Act is called _____
9. When an asset is received under a will _____ is the considered as its cost.
10. H R A is _____ if the assessee has not paid any rent.

(10 × 1 = 10 Marks)**PART B: Answer any eight questions. Each carries 2 marks.**

11. Describe Section 115BAC of Indian Income Tax Act
12. Define assessee.
13. Describe the term block of assets
14. What is meant by annual value?
15. Comment on casual income.
16. How will you deal with family pension received?
17. Describe section 80 P.
18. Mr Ramgopal left to UK on on 15 th May 2019 after staying in India for 10 years . He came back on 1st September 2021. Determine his residential status for the assesment year 2022 -2023

(PTO)

19. The following are the details of a house owned by Ram kumar

Municipal rental value 83000

Fair rental value 85000

Monthly rent 7000

Municipal Tax 10% of Municipal value

Compute Annual value

20. Mr Kaul sold a building on 3rd February 2022 for Rs 1135000 and paid a brokerage of Rs 18000/.He had acquired the asset on 15th may 2020 at a cost of Rs 435000. Compute capital gain.

(8 × 2 = 16 Marks)

PART C: Answer any six questions. Each carries 4 marks.

21. Describe the history of income tax in India

22. Mr. Sradhika had the following income during previous year 2021-22

A. Profit from a business in France (controlled from India) Rs 160000

B. Pension from former employer in India received in Dubai Rs 85000

C. Income from agriculture in Srilanka brought to India Rs 50000

D. Profit from business in Australia received in India Rs 170000

E. Share of profit from a firm in India Rs 70000

F. Dividend from an Indian company Rs 14000

G. Income from house property in India received in Hongkong 178000

H. Income from Agriculture in India Rs 66000

Compute the total income.

23. Mr. Ramkumar Bal took VRS on 1st May 2021 at an age of 50 years and received an amount of Rs 760000/-. The normal age of retirement is 58 years. He had completed 20 years of service. His monthly salary on retirement is Rs 15000/

Compute the taxable amount of Compensation.

24. From the following details of house owned by Tom, calculate Annual Value

Municipal value 83000

Fair rental Value 85000

Standard rent 75000

Actual rent 82000

Municipal tax (50% paid by tenant) 10% of municipal value.

25. Mr. Ahmed bought 3000 shares of a company in July 2005 at a cost of Rs 100 each He was allotted bonus shares in ratio of 1:1 in 2008-09 and again in the ratio of 1:2 in 2011-12. In January 2022, he sold all shares @Rs 240 per share .Compute taxable capital gain, if CII in 2005- 06 is 117, 2008-09 is 137 and 2011-12 is 184 assuming that shares were not sold through a recognised stock exchange

26. How will you calculate taxable income from profession?

27. Compute income from other sources of Mrs Reama

A. Income from Royalty (expenses Incurred 3000)	20000
B .Agriculture income in Africa	15000
C. Rent from Subletting (rent paid 3000)	8000
D. Dividend from Domestic company	12000
E. Family pension	30000
F. Tax free Interest on Debentures	18000
G. Remuneration from Lectures	10000

28. Describe deduction for donation to Funds, Charitable institutions U/S 80G

(6 × 4 = 24 Marks)

PART D: Answer any two questions. Each carries 15 marks.

29. Mr. Thomas is a central government employee in a small town where population is less than 10 lakh .

His monthly salary during the financial year 2021-22 is as follows.

Basic salary Rs 20000 per month

Dearness pay Rs 6000 per month

Dearness allowance 30% of the salary

He contributes 10% of his salary to PF

Interest credited to his balance in provident fund @10% is 20000

Entertainment allowances Rs 500 per month

Licence fee for accommodation @ Rs 500 per month

He received a dividend from Co operative society Rs 18000/

He donated Rs 10000 during the year to National illness assistance Fund

He sold a building for 1000000 which he purchased during 1996 for Rs 300000 and Fair market value of which in the year 2001 was Rs 500000

Compute taxable income assuming that he had paid Rs 2500 as professional tax during 2021-22

(PTO)

30. Mr. Giridhar informs you that the net profit as per his profit and loss account is Rs 314000/- after following debits and credits

DEBITS

1 Opening stock Rs 40000 its actual value is only	35000
2 Provision for taxation	14000
3 Bad-debts written off	16000
4 Provision for bad debts	3000
5 Staff welfare fund	10000
6 sales tax	6000
7 Interim Dividend	12000
8 Transfer to reserve	20000
9 Patents purchased on (1-2-2022)	100000

CREDITS

1 Discount received	6000
2 Interest on fixed deposit	20000
3 Bad debts recovered (not allowed earlier)	7000
4 Dividend received	10000
5 Interest on investment	26000

Calculate business income

31. Define perquisites. Discuss its classifications.

(2× 15 = 30 Marks)