

**FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2023****(Regular/Improvement/Supplementary)****BBA HONOURS****GBAH5E01T: DIRECT TAXES****Time: 3 Hours****Maximum Marks: 80****PART A: Answer *all* the questions. Each carries *one* mark.****Choose the correct answer.**

1. Income tax is computed on.....

- A) Capital                      B) Fixed Assets                      C) Income                      D) Business Gains

2. Income tax department works under.....

- A) Central Govt                      B) State Govt                      C) CBDT                      D) Chief Commissioner of IT

3. Agriculture income in Pakistan is assessable for.....

- A) All Assesseees                      B) Ordinary Resident                      C) Not Ordinary Resident                      D) Non Resident

4. Every year the residential status of an assessee.....

- A) may change                      B) will certainly change                      C) will not change                      D) none of these

5. The maximum deduction of interest on loan is taken for construction of house given on rent is Rs.....

- A) 2,00,000                      B) 1,50,000                      C) 30,000                      D) No limit

**Fill in the Blanks.**

6. Rent fixed under Rent Control Act is known as .....

7. LTCL can only set off from .....

8. Amount of standard deduction under the head salaries is .....

9. Interest credited in RPF account is exempted upto.....

10. Income Tax was levied in India in the year ..... for the first time.

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

11. Who are the persons as per Income Tax rules?

12. Define the term Assessment Year.

13. List out any four exempted incomes.

14. How the residential status of company is determined?

15. What is Indian Income?

16. Define Annual Value.

17. What is the treatment of unrealised rent?

18. What is Short Term Capital Assets?

**(PTO)**

19. Compute Expected Rent if Municipal Rental Value - Rs 20,000, Fair Rental Value Rs 25,000 and the Standard Rent – Rs 23,000.
20. What do you mean by Capital Gain Account Scheme?

(8 x 2 = 16 Marks)

**PART C: Answer any six questions. Each carries four marks.**

21. What is Previous Year? When income of PY assessed in the same year?
22. Mr. Maitra a citizen of the U.K. came to India for the first time on 1-5-2016. He stayed here without any break for 3 years and left for Bangladesh on 1-5-2019. He returned to India on 1-4-2020 and went back to the U.K. on 1-12-2020. He was posted back to India on 20-01-2023. Compute his residential status for the Assessment Year 2023-24.
23. Compute Gross Salary from the given information :
- (i) Salary at Rs.14,000 p.m.
  - (ii) D.A. at Rs. 4,000 p.m. (D.A. enters into pay for service benefits.)
  - (iii) CCA at Rs. 800 p.m.
  - (iv) HRA at Rs. 4,000 p.m.
  - (v) Commission on turnover achieved by him Rs.24,000
  - (vi) Living in a rented house at Delhi and rent paid is Rs. 6,000 p.m.
24. Mr. X, a bank officer, receives Rs. 26,000 p.m. as salary and Rs. 1,000 p.m. as dearness allowance. He is also getting entertainment allowance of Rs. 800 p.m. He is also getting a bonus equal to 3 months' pay. He resides in a house taken on rent by the bank, at a rate of Rs. 4,000 p.m. Compute his income under the head 'Salaries' for the Assessment Year 2023-24.
25. Reddy retires from Private Service on 30<sup>th</sup> April, 2022 and his pension has been fixed at Rs. 76,000 p.m. He gets 1/2 of his pension commuted and gets Rs 3,00,000. He also received Rs 1,50,000 as gratuity. He gets his pension commuted during January 2023. In all cases, pension becomes payable on the 1<sup>st</sup> day of each month. Compute taxable amount of pension.
26. The Net Annual value of a house property is Rs.72,000. The deductions claimed are as follows:
- (i) Repairs Rs 2,000;
  - (ii) House tax paid Rs 6,000.
  - (iii) Interest on loan (for repairing the house) – Rs 40,000
  - (iv) Insurance premium due Rs.1,000.
- Compute the income from house property for the Assessment Year 2023-24.
27. Mr. Manu purchased a plot in 2006-07 for Rs. 4,88,000. It was sold on 15-1-2023 for Rs.16,80,000 and he paid Rs. 1,00,000 as brokerage. He invested Rs. 2,00,000 in NHAI bonds on 31.3.2023 and Rs. 3,10,000 in bonds issued by Rural Electrification Corporation Ltd., on 1.8.2023. Compute his taxable capital gains, if the CII for 2006-07 was 122 and for 2022-23 is 331.
28. Differentiate between STCG and LTCG.

(6 x 4 = 24 Marks)

**PART D: Answer any two questions. Each carries fifteen marks.**

29. From the following particulars of Miss Minal Bhatnagar compute her total income and tax liability for the Assessment Year 2023-24:

a) Net salary	-	Rs. 6,68,000
b) Business income	-	1,54,500
c) Royalty on CBSE Books	-	66,000
d) Rent from house property	-	36,000
e) Dividend from Indian company	-	28,500
f) Bank interest on time deposit	-	16,600
g) Income of minor son	-	15,500
h) Long term capital gain	-	28,000
i) Contribution in P. P. F.	-	40,000
j) Life insurance premium paid	-	26,000
k) Medical Insurance Premia paid by cheque	-	32,000
l) Donation to National Defence Fund by cheque	-	10,000

30. Mr. Abhish is a cloth merchant. From the following Profit and Loss A/c for the year ended 31/03/2023. Compute his income from business for the AY 2023 – 24.

Salaries and Wages	15,000	Gross Profit	2,70,000
Rent and Taxes	4,000	Dividend on Shares	4,000
Domestic Expenses	2,500	Rent from Building let out	10,000
Income Tax	1,200		
Postal Charges	1,500		
Donation	2,500		
Life Insurance Premium	2,000		
Audit Fees	1,500		
Bad Debts Reserve	1,800		
Bad Debts	2,500		
Depreciation	5,000		
Net Profit	2,44,500		
	2,84,000		2,84,000

Other information

1. Rent and taxes include Rs 2,000 paid as municipal tax on building let out.
2. Value of life insurance policy is Rs 18,000.
3. Donation was given to an approved institution.
4. Permissible depreciation Rs 4,000.

31. Explain in detail the rules regarding the set off and carry forward of losses.

**(2 x 15 = 30 Marks)**