

D5BBA2204

Reg. No.....

Name:

FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2024

(Regular/Improvement/Supplementary)

BBA

GBBA5B10T: INCOME TAX

Time: 2 ½ Hours

Maximum Marks: 80

SECTION A: Answer the following questions. Each carries *two* marks.

(Ceiling 25 marks)

1. Who is a resident?
2. What is previous year?
3. Describe MMR.
4. Comment on long term capital gain.
5. What is setoff of losses?
6. Define bond washing transaction.
7. What is un recognized provident fund?
8. Comment on incidence of tax?
9. Define unabsorbed depreciation?
10. Comment on annual value.
11. What is Gratuity?
12. Describe deduction under section 80P.
13. Mr. Louis, an Australian citizen comes to India on 15 November 2021 for the first time to join in an Indian Company. Determine his assessment year 2024- 25.
14. The following are the details of a house owned by Kaushik:

Fair rental value	1,32,000
Municipal value	1,20,000
Monthly rent	14,000
Standard rent	1,38,000

Compute Annual value.
15. Mr. Kishore sold a building on 3rd February 2024 for Rs 11,35,000 and paid a brokerage of Rs. 18,000. He had acquired the asset on 15th May 2022 at a cost of Rs. 4,35,000. Compute Capital gain.

SECTION B: Answer the following questions. Each carries *five* marks.

(Ceiling 35 marks)

16. Describe the history of income tax in India.
17. Mrs. Rani had the following income during previous year 2023-24:
 - A. Income from agriculture in Srilanka brought to India Rs 50,000.
 - B. Pension from former employer in India received in Oman Rs. 70,000.
 - C. Profit from a business in China (controlled from India) Rs. 9,00,000.
 - D. Profit from business in Italy received in India Rs. 1,90,000.

(PTO)

E. Income from Agriculture in India Rs 6,000.

F. Dividend from an Indian company Rs 18,000.

G. Income from house property in India received in Thailand 6,78,000.

H. Share of profit from a firm in India Rs 70,000.

Calculate her taxable income if she is an ordinary resident, Not ordinarily Resident and Non-Resident.

18. Mr Ram Bal took VRS on 1st May 2023 at an age of 50 years and received an amount of Rs 7,60,000/-. The normal age of retirement is 58 years. He had completed 20 years of service. His monthly salary on retirement is Rs. 15,000. Compute taxable compensation.
19. Mr Suraj had acquired a house property on 15th July 2005 at a cost of Rs. 4,00, 000. On 10th January 2024 he sold the house for Rs. 26,00,000 and paid a brokerage of Rs. 30,000. Compute capital Gain (CII 2005-06 117, 2023-24 - 348).
20. How will you calculate taxable Income from capital gain?
21. The following are the particulars of the income of Mr. Ramesh for the Previous Year ended on 31st March, 2024:
- (i) Salary- ₹ 45,000 p.m.
 - (ii) Bonus equal to two months' pay.
 - (iii) Dog allowance ₹750 p.m.
 - (iv) Special allowance-600 p.m.
 - (v) Employee's contribution to a Recognised Provident Fund @ 15% of salary.
 - (vi) Employer's contribution to the fund @ 15% of the salary.
 - (vii) Interest credited to the provident fund @ 9.5% p.a. is 28,000.
 - (viii) He is provided with free lunch in the office. The cost per meal is 30.

The employer has given him a small car which he uses for personal and official purposes. He meets the expenses for the personal purpose from out of his pocket. Compute the income from salaries of Mr. Ramesh for the Assessment Year 2024-25.

22. Describe provisions relating to residential status of individual.
23. Mr. Ramdas who retired on September 2023 after working for 32 years is not covered under Payment of gratuity Act. His Average salary for 10 months preceding his retirement was Rs. 25,000 per month. He received a gratuity of Rs. 6,00,000. Compute his taxable gratuity.

SECTION C: Answer any two questions. Each carries ten marks.

24. Mr Kumar bought 80000 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 2024, he sold all shares @Rs 250 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.
25. What is allowances? How are they classified?

26. Mr. Madivala informs you that the net profit as per his profit and loss account is Rs. 3,14,000 after following debits and credits:

DEBITS	Rs.
1 Opening stock Rs. 40,000 its actual value is only	35,000
2 Provision for taxation	14,000
3 Bad-debts written off	16,000
4 Provision for bad debts	3,000
5 Staff welfare fund	10,000
6 sales tax	6,000
7 Interim Dividend	12,000
8 Transfer to reserve	20,000
9 Patents purchased on (1-2-2023)	1,00,000

CREDITS	Rs.
1 Discount received	6,000
2 Interest on fixed deposit	20,000
3 Bad debts recovered (not allowed earlier)	7,000
4 Dividend received	10,000
5 Interest on investment	26,000

Calculate business income

27. Mr Thomas K Cherian is a central Government employee in a small town where population is less than 10 Lakh. His monthly salary during the financial year 2023-24 is as follows:

- Basic salary Rs. 40,000 per month
- Dearness pay Rs. 10,000 per month
- Dearness allowance 40% of the salary
- He contributes 10% of his salary to PF
- Interest credited to his balance in provident fund @ 10% is Rs. 20,000
- Entertainment allowances Rs 1,200 per month
- License fee for accommodation @ Rs 1,200 per month
- He received a dividend from Cooperative society Rs. 8,000.
- He donated Rs. 10,000 during the year to National illness assistance Fund
- He sold a building for Rs. 10,00,000 which he purchased during 1996 for Rs. 3,00,000 and Fair market value of which in the year 2001 was Rs. 5,00,000

Compute Taxable income assuming that he had paid Rs. 2,500 as professional tax during 2023-24.

(2 × 10 = 20 Marks)