

49A

6/3/23

**SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2023**

**(Supplementary - 2017 & 2018 Admission)**

**BBA**

**ABBA6B14T: INCOME TAX**

**Time: 3 Hours**

**Maximum Marks: 80**

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

**Choose the correct answer.**

1. Residential status is determined on.....
  - A) Assessment year
  - B) Calendar year
  - C) Previous year
  - D) Accounting year
2. If the assessee is living in own house HRA is.....
  - A) Fully Taxable
  - B) Partly Taxable
  - C) Fully Exempted
  - D) None of these
3. Income from subletting of house property is taxable under the head:
  - A) Capital Gain
  - B) Income from Other Sources
  - C) Income from House Property
  - D) Profits & Gains of Business or Profession
4. Health & Education cess is calculated on.....
  - A) Total Income
  - B) Tax on Total Income
  - C) Taxable Income
  - D) Agricultural Income
5. Dividend from an Indian Company is .....
  - A) Fully Taxable
  - B) Partly Taxable
  - C) Fully Exempted
  - D) None of these

**Fill in the Blanks.**

6. The entertainment allowance is applicable to.....
7. Deduction from capital gains under section 54B is for capital gains arising from transfer of.....
8. Loss on speculation business can be set off from.....
9. Dearness allowance is taxable in the hands of.....
10. Section 2(9) of Income tax deals with.....

**(10 × 1 = 10 Marks)**

**PART B: Answer any eight questions. Each carries 2 marks.**

11. How to determine the residential status of a Company?
12. What are Perquisites?
13. What is tax holiday?
14. If let out house remains vacant for part of the previous year, how would you treat it in computing the income from house property?
15. What are the deductions from salary u/s 16?

**(PTO)**

16. Who is a Specified Employee?
17. What is meant by grossing up of interest?
18. State any four items taxable under the head income from other sources.
19. Mr. Mukundan pays a rent of ₹ 4,000 pm in connection with his employment at Salem. His basic pay is ₹ 30,000 pm, Dearness allowance ₹ 8,000 and HRA ₹ 3,000 pm. Compute his taxable HRA.
20. Mr. Suresh is getting a pension of ₹ 12,000 pm from a company. During the previous year he got his two - third pension commuted and received ₹ 7,38,000. Compute the exempted amount if: a) he also received gratuity, b) he did not receive gratuity.

**(8 × 2 = 16 Marks)**

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

21. What are tax free government securities?
22. Distinguish between recognised provident fund and unrecognised provident fund?
23. What are the allowances that are admissible in determining the income from business?
24. From the following information compute annual value of the house:

	₹
Municipal Value	80,000
Fair Rent	1,20,000
Standard Rent	1,00,000
The house was self-occupied for four months and then let out a) @ ₹ 10,000 pm	
b) ₹ 15,000 p.m. Municipal tax paid by the owner ₹ 10,000.	

25. From the following information compute Mr. Srini's total income for the assessment year 22-23.
  - a) Salary (computed) of Srini is ₹ 5,80,000.
  - b) He deposited u/s 80 C ₹ 60,000 and contributed to pension fund of LIC of India ₹ 20,000
  - c) He paid house rent for residential accommodation ₹ 8,000 per month. He is not getting HR
26. Compute income from other sources of Mr. Arun from particulars given below for the Assessment year 2022-23.

	₹
a) Interest (gross) on deposits with a company	10,000
b) Remuneration received from university for working as examiner	8,000
c) Royalty for writing books	80,000
d) He claims to have spent on writing these books	20,000
e) Family pension received	48,000

27. Mr. X acquired a plot of land on 30.06.2000 for ₹ 4,20,000. Brokerage and other incidental expenses on acquisition on plot were ₹ 1,48,500. Its fair market value on 1.4.2001 was ₹ 8,50,000. Mr.X sold the plot of land on 30.6.2001 for ₹ 55,00,000. What will be the amount of capital gain for the Assessment year 2022-23? CII in 2001-02 was 100 and that in 2021-22 was

28. Mr. Khan a bank officer, receives ₹ 26,000 pm as salary and ₹ 1,000 pm as DA. He is getting entertainment allowance of ₹ 800 pm. He is also getting a bonus equal to 3 months pay. He resides in a house taken on rent by the bank, where rent is ₹ 4,000 pm. Compute his income from salary for the assessment year 2022-23.

(6 × 4 = 24 Marks)

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

29. From the following particulars of an individual, compute his total income and net tax liability for the Assessment year 2022-23.

	₹
1) Rent from let out properties	30,000
2) Long term capital gain (Computed)	40,000
3) Profit from own business	6,31,000
4) Income from Lottery (Gross)	1,00,000
5) Net Agricultural income	10,000

30. The net profit of Mr. Zainu as per his profit and loss account after charging the following items was ₹ 3,40,000.

	₹
a) Interest on capital	20,000
b) Salary to staff	1,16,000
c) Office Expenses	3,000
d) Bad-debts written-off	13,000
e) Provision for Bad-debts	10,000
f) Provision for Income tax	16,000
g) Donation	10,000
h) Depreciation	17,000

Depreciation allowable as per the Act is only ₹ 12,000.

Compute Income from Business.

31. Describe the exempted income under the Income Tax Act.

(2 × 15 = 30 Marks)