

26. M/s. P. Bros. Chennai running an industrial undertaking were ordered by City Corporation, Chennai to shift their unit from the urban area of Chennai. They shifted their concern during 2019-20 and in the process sold some of the assets whose details are given below:

Assets	P & M	Land	Building
Acquired in	1999	June 2001	1999
Sale proceeds	10,00,000	12,00,000	12,00,000
W.D.V. on 1.4.2019			
[cost u/s 50(2)]	4,40,000	—	7,32,500
Cost of acquisition	6,00,000	3,00,000	10,00,000
Cost of new asset purchased			
During Dec. 2020 due to shifting	8,00,000	4,00,000	5,00,000

Compute the taxable capital gain for the Assessment Year 2021-22 (C.I.I. for 2001-02 is 100; 2020-21 is 301)

27. From the following particulars, calculate the total income for the assessment year 2021-22:

Salary	2,88,000
Dearness Allowance	78,800
House rent allowance per month (rent paid ₹ 6,000 p.m. in Delhi)	4,000
House property is let out on a monthly rent of ₹ 2,000.	
The municipal value of the house property is ₹ 30,000	
Municipal tax paid is ₹ 1,800 for the whole year. Interest payable on capital borrowed for the construction of the house ₹ 6,000. Re-payment of house building loans taken from Friends is ₹ 5,000 and from life insurance corporation is ₹ 3,000	
Interest on savings bank account	7,000
Interest on P.P.F account	2,000
Income from units of mutual fund	4,000
Life insurance premium	6,000
Contribution to public provident fund	16,000
Interest accrued on N.S.Cs. VIII issue	4,000

The construction of the house property was completed on 1st Jan 2015

(2 × 10 = 20 Marks)

(4)

19U553

(Pages: 4)

Name:

Reg. No:

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS - UG)

CC19U BBA5 B10 - INCOME TAX

(Commerce - Core Course)

(2019 Admission - Regular)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

Part A (Short answer questions)

Answer **all** questions. Each question carries 2 marks.

1. What is Income Tax?
2. In which previous year income of a person leaving India will be taxed?
3. Explain the term Gross Total Income.
4. Define person.
5. What is recognised Provident Fund?
6. How is 'Pension' taxed?
7. How will you compute Net Annual Value of letout property?
8. How Vacany Allowance treated for Tax Purpose?
9. What is meant by block of assets?
10. Explain the income tax provisions relating to deduction towards entertainment expenditure in the hands of business concerns?
11. What is a capital asset?
12. How is cost of acquisition of right issue is determined?
13. What you mean by capital loss?
14. What you mean by deemed income?
15. Define previous year.

(Ceiling: 25 Marks)

Part B (Paragraph questions)

Answer **all** questions. Each question carries 5 marks.

16. Mr. Prasad has furnished the following particulars for the Previous Year 2020-21. Calculate his gross total income if he is a non-resident:

Particulars	Amount (Rs)
Salary for 3 months received in India (Computed)	9,000
Dividend received in Germany from British Companies out of which Rs.3,000 were remitted to India	22,000
Income from Business in Pakistan being controlled from India	10,000
Interest on saving bank deposit in State Bank of India	1,000
Amount brought to India out of Past untaxed profit earned in Japan	20,000
Income from House property in India (Computed)	3,400

(1)

Turn Over

17. A company has provided residential accommodation to an employee. From the information find out the value of perquisite of accommodation:

Fair rental value of the house - Annual	Rs. 80,000
Salary	Rs.10,00,000

- (a) The house is situated in a city whose population is more than twenty-five Lakh
 (b) The house is situated in a city whose population is more than ten lakhs but upto 25 Lakh.
18. Sunil owns a house property which was rented out at a monthly rent of Rs. 25,000/ pm during the Previous year 2020-21. Municipal taxes paid for the property is Rs. 8,000/- and he pays interest of Rs.32,000/- for the loan borrowed for repairs of the property. He could not realize rent for 1 month. The fair market value is Rs. 2,50,000/-. Compute Income from House property.
19. From the following information compute the amount of depreciation deductible in computing profits and gains of business for the Assessment Year 2020-21.
 Purchased goodwill of business for Rs.2,50,000 in April, 2019.
 Purchased patent for Rs.4,00,000 in May, 2019.
 Purchased trademark for 3,00,000 in Nov., 2019.
 Rate of Depreciation 25%
20. What are the Tax-free perquisites?
 21. What are Bond Washing transactions?
 22. What are the provisions relating to set off and carried forward of losses?
 23. From the following Information compute the amount entitled to deduction under section 80C in the assessment of Mr. X for the Assessment year 2021-22:
- Life Insurance Policy of 80000 on own life taken in 2017, the premium Paid 9000.
 - Life insurance policy of 15000 on married daughter's life, the premium Paid 1000.
 - Life insurance policy of 40000 on wife's life taken on 1.5.2017, the Premium paid 5000.
 - Contribution to Recognized Provident Fund 15000.
 - Contribution to Public Provident fund 74000.
 - Group Insurance premium paid 1200.
 - National Savings Certificates VIII issue purchased 20000.
 - Accrued Interest on National Savings Certificates VIII issue 1730.
 - Loan Installment repaid to L.I.C of India 25000.The loan was taken in 2010 to purchase a D.D.A Flat for own residential purposes.
 - Tuition fees paid of his son 15000.

(Ceiling: 35 Marks)

(2)

Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. Mr. X has furnished the following details with regard to his salary income for the year ended 31st March 2021:
- Salary at ₹ 12, 000 per month.
 - Bonus at six months' salary.
 - Travelling allowance for a tour at ₹ 300 per month.
 - Entertainment allowance of ₹ 500 per month.
 - Commission equal to four months' pay.
 - He is also provided with a rent- free furnished quarter in a city (population 15 lakhs), valued at ₹ 3000 per month and furniture and fittings of the value of ₹ 10,000. He is also provided with free lunch at the company valued at ₹ 60 per meal for 300 working days.
 - He claims:
 - Electricity and water charges incurred by him for his residence ₹1,600 per annum
 - Entertainment and travelling allowance in full.
 - His contribution to the company's Recognized Provident Fund is at ₹2000 per month and the employer contributes an equal sum. The interest credited to the provident fund account is ₹ 12000 at 9.5%. Compute his taxable salary.
25. Mr. Dewan & Company are Chartered Accountants in Delhi. From the following information, compute the income from the profession:

	Rs.		Rs.
To Drawings	8,000	By Audit Fees	5,24,000
To Office Rent	42,000	By Financial Consultancy Services	98,000
To Telephone Charges	15,000	By Dividend From UTI (Gross)	10,000
To Electricity Bill	6,700	By Accountancy Works	14,000
To Salary to Staff	66,000		
To Car Expenses	21,000		
To Institution Fee	1,200		
To Stipends given to Trainees	12,000		
To Net Income	4,74,100		
	6,46,000		6,46,000

Additional Information:

- (a) Depreciation of car during the year amounts to 5,000.
 (b) 30% of the car is used for personal purpose.

(3)

Turn Over