

Compute Total Income after taking into account the following:

- One third of motor car expenses are in respect of his personal use
- Depreciation allowable on car and surgical equipment is @ 15%.

31. Mr. Gupta is the manager of a Textile Mill. His salary details as under:

Basic Pay Rs 105000, DA (Rs 200 p.m. enters into retirement benefits) Rs 1000 p.m. Education allowance for two children at Rs 150 per child, Commission based on sale Rs 10000, CCA Rs 700 p.m., Travelling Allowance Rs 30000(actual amount spent Rs 22000), He has been provided with a large car for his personal and official use. Employers contribution to RPF Rs 9500 and interest credited to his fund at 10% is Rs 10000. He has been provided with a house owned by the company at Bangalore. A Watchman and a cook have also been provided who were paid Rs 400 p.m. per person. Compute taxable Income from salary taking into consideration that a rent of Rs 10500 is charged from Mr. Gupta for residing in the house.

(2 × 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No.....

SIXTH SEMESTER B.B.A. DEGREE EXAMINATION, APRIL 2021

(CUCBCSS - UG)

(Regular/Supplementary/Improvement)

CC15U BB6 B14 - INCOME TAX

(BBA - Core Course)

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries 1 mark.

I. Choose the correct answer:

1. Income Tax Act was passed in the year -----
(a) 1961 (b) 1965 (c) 1962 (d) 1985
2. Total Income of an assessee is determined on the basis of -----
(a) Citizenship (b) Nationality (c) Residential status (d) Origin
3. Which of the following allowance is fully taxable?
(a) HRA (b) Entertainment Allowance
(c) Conveyance Allowance (d) CCA
4. For Income tax purpose house means -----
(a) Dwelling house (b) Office Building (c) Godown (d) All of these
5. Under Income Tax Act, Depreciation is allowed on -----
(a) Goodwill (b) Animals (c) Patent (d) Tea bushes

II. Fill in the Blanks:

6. When an asset is received under a will, ----- is considered as its cost
7. The maximum amount of deduction in respect of Family Pension is -----
8. Loss from House Property can be carried forward for ----- years
9. Under Section 80 U, the amount deductible for severe disability is -----
10. ----- percent of income derived from sale of tea grown and manufactured is agricultural income.

(10 × 1 = 10 Marks)

(1)

Turn Over

Part B

Answer any *eight* questions. Each question carries 2 marks.

11. State any four donations for which 100 % deduction is available?
12. Define Agricultural Income?
13. What is Clubbing of Income?
14. What are tax free securities and what is the rule of grossing up of these securities?
15. How will you calculate exempted amount of gratuity in case of Employees covered under the Payment of Gratuity Act, 1972?
16. What is Section 54 F?
17. What is the rate of depreciation on furniture and computer?
18. What is Pre construction period Interest?
19. What is Transferred Balance?
20. Who is an assessee?

(8 × 2 = 16 Marks)

Part C

Answer any *six* questions. Each question carries 4 marks.

21. What are the various provisions relating to set off of losses?
22. What are the differences between LTCG and STCG?
23. List any 8 incomes which are exempt from tax?
24. Sri Chetan retired on March 1st 2019 after serving 25 years in a private company to which provisions of Gratuity Act was not applicable. During the ten months ending on 28th February 2019, he was drawing a monthly salary of Rs 65000. He received a Gratuity of Rs 923800 from his employer. Compute taxable Gratuity?

25. Mr. Pillai and his family have the following Incomes during the previous year 2018-19

Income from business owned by Mr Pillai	Rs 360000
Salary paid to wife employed in the above business	Rs 120000
Income of Master Pradeep, minor son of Pillai	Rs 20000
Unexplained expenditure of Mr Pillai	Rs 160000

Compute his GTI?

26. Mr. Kumar owns a house which is let out for residential purpose on a monthly rent of Rs 2000. Its municipal tax is Rs 5000 paid @ 20% on municipal value. Interest on loan taken for the construction of the house is Rs 10000. Compute Income from House Property assuming that the house remained vacant for 3 months.

(2)

27. Compute Income from other Sources:

15 % Government of India Securities	Rs 100000
8% Bombay Municipal Bonds	Rs 50000
9% less tax debentures of a company	Rs 200000
7% Capital Investment bonds	Rs 60000
8% Tax free Debentures	Rs 100000
Crossword puzzles	Rs 2500
Royalty on books	Rs 20000

(Expenses in this connection Rs 4000)

28. Mr Ajay was sponsored for training in Italy by his employer. He went to Italy on 3rd June 2018 and came back only in May 2019. Determine his residential status for the Assessment year 2019-2020?

(6 × 4 = 24 Marks)

Part D

Answer any *two* questions. Each question carries 15 marks.

29. What are the various deductions available under Section 80?
30. Mr. Bhagavandas is a registered medical practitioner. He keeps his books on cash basis and his summarised cash account is as under:

Receipts	Amount	Payments	Amount
Balance b/d	122000	Cost of medicines	10000
Loan from bank for private purposes	3000	Surgical equipment	8000
Sale of medicines	25250	Motor car	120000
Consultation fees	155000	Car expenses	6000
Visiting fees	24000	Salaries	4600
Interest on govt securities	4500	Rent of dispensary	1600
Rent from property (not subject to local taxes)	3600	General expenses	300
		Personal expenses	111800
		Life insurance premium	3000
		Interest on loan from bank	300
		Insurance of property	200
		Balance c/d	71550
Total	337350	Total	337350

(3)

Turn Over