

26. Shri Radhey Lal, the proprietor of a flour mill, has prepared the following Profit & Loss Account for the year ending 31<sup>st</sup> March, 2022. You are required to compute his income from business and his gross total income for the Assessment Year 2022-23:

Profit & Loss Account			
Trade Expenses	450	Gross Profit	2,35,900
Establishment Charges	2,200	Dividends from a Co-operative	2,600
Rent, Rates and Taxes	1,400		
Society Discount and Allowances	200	Rent from Property	500
Income Tax	700	Bad debts recovered	2,000
Interest	1,450	(Allowed as a deduction in an earlier year)	
Postage Charges	100		
Gifts and Presents for publicity	125		
Fire Insurance Premium	250		
Charities	375		
Donations	400		
Repairs and Renewals	250		
Audit Fees	250		
Net Profit transferred to Capital Account	2,32,850		
	<b>2,41,000</b>		<b>2,41,000</b>

27. B, a British National, came to India on June 1, 2012, taking up employment with an Indian company with whom he was still serving. During this period of services, he had been away from India on leave every year for the months of January and February. He gives the following particulars of his income for the year ending on 31<sup>st</sup> March, 2022:

- Basic salary, dearness allowance, marriage allowance and foreign allowance at the rate of Rs 16,000, 8000, 5000 and 4000 p.m. respectively.
- An unfurnished house in Kolkata for which company pays a rent of Rs. 10,000 p.m. and recovers from B Rs 1000 p.m.
- Own contribution to a recognized provident fund @ 2,500 p.m. matched by an equal contribution by the employer.
- Passage money of Rs 1,12,500 for self and wife for proceeding on home leave to UK and returning therefrom.
- A small car for personal as well as official purposes provided by the company, running and maintenance expenses met by it.

During the period he stayed away from India due to leave, he gave up rights to occupy the house provided and the use of the car. B took out a policy in India, a life insurance policy, for a sum of Rs 1,00,000 and paid a premium of Rs 6000 during the year. Compute B's total income.

(2 × 10 = 20 Marks)

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**20U559**

(Pages: 3)

Name: .....

Reg. No: .....

**FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2022**

(CBCSS - UG)

(Regular/Supplementary/Improvement)

**CC19U BBA5 B10 - INCOME TAX**

(BBA - Core Course)

(2019 Admission onwards)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

**Part A** (Short answer questions)

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

- Who is a representative assessee?
- Define the term assessment year.
- What you mean by TAN?
- Define person.
- Who is a specified employee?
- What is pension?
- What is SRV (Standard Rental Value)?
- Explain the treatment of Pre-Construction Interest.
- List out any four incomes, which are chargeable under the head Income from Business.
- What is the deduction available from business income towards the acquisition of technical know-how?
- What are the essential elements of capital gains?
- What is short term capital asset?
- What is cost of inflation index?
- What you mean by deemed income?
- What you earn by total income?

**(Ceiling: 25 Marks)**

**Part B** (Paragraph questions)

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

- Resident of Rampur Shri Vimal gets Rs.1,44,000 as salary, Rs.12,000 as dearness pay, Rs. 6,000 as dearness allowance, and Rs.10,000 per annum as fixed commission during the previous year. During the previous year, he received Rs.30,000 as house rent allowance though he paid Rs.36,000 as rent. Compute house rent allowance exempt from tax.
- Explain the tax treatment of Gratuity received by an employee?

(1)

**Turn Over**

18. The following are the income of Mr. Naresh for the Previous Year 2021-22.

Particulars	Amount
Interest on England Development Bond (1/5th received in India)	50,000
Income from agriculture in America received there, but later on remitted to India	81,000
Income from the property in Canada received outside India	40,000
Income earned from business in Uganda, which is controlled from Delhi (Rs.25,000 is received in India)	45,000
Dividend paid by a domestic company and recived outside India (Gross)	40,000
Untaxed profit of 2017-18 brought to India in 2020-21	10,000
Profit from business in Chennai, which is controlled from London	2,00,000
Profit on sale of a building in India but received in Sri Lanka	18,000

From the above particulars ascertain the Gross Total Income of Mr. Naresh for the Assessment Year 2022-23, if he is : (i) a resident, (ii) not a ordinarily resident, and *non-resident*.

19. From the following information determine the depreciation allowance for the Assessment year 2022-23:

	Rs.
W.D.V. of plant and machinery on 1.4.2021	12,00,000
P & M purchased on 15.5.2021 for production department	10,00,000
In June 2021 the assessee purchased the following assets:	
(i) Office appliances	1,00,000
(ii) Air-conditioners for guest house	60,000
(iii) Car	4,00,000
P & M purchased on 10.11.2021 for production department	3,00,000

20. Write any two items taxable under the head income from other sources.

21. What are the tax free commercial securities?

22. From the following information compute the amount entitled to deduction u/s 80C of income tax act for the assessment year 2022-23:

Premium Paid 5000 on life policy of his own life.

Premium paid 16000 on life policy of his daughter's life (Quality for Education)

Premium paid 10000 on life policy of his married daughter.

Contribution to RPF 5000.

Contribution to PPF 4000.

Investments in NSC VIII issue 10000.

Deposits in Home Loan Account 8000.

Contribution to ULIP 5000.

LIP of 100000 taken in 2019 on wife's life, the premium paid 8000 out of Agricultural Income.

23. From the following information compute the income of Mr. Shyam and Mrs. Shyam for the assessment Year 2022-23:

Incomes of Mr. Shyam :	₹
a. From business	3,90,000
b. Interest on debentures (gross)	20,000
Incomes of Mrs. Shyam :	
a. Salary income (computed)	2,50,000
b. Interest on debentures (gross) transferred by Mr. Shyam without consideration	10,000
c. Interest on loan given to a firm	4,000

(Ceiling: 35 Marks)

### Part C (Essay questions)

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

24. From the following particulars calculate the salary income of Mr. Haridas (an employee of an individual) for the Assessment Year 2022-23:

	₹
Salary	11,000 per month
House-rent allowance	4,800 per month
Dearness allowance	10,000 per month
Entertainment allowance	2,400 per month

Mr. Haridas and his employer contribute to a Recognised Provident Fund 14% of salary. One small car is allowed to him by his employer both for private and official use. Expenses of car are borne by the employer. He lives in a rented house, monthly rent being ₹ 6,000. Mr. Haridas is working at Meerut.

25. Shri Mahesh had two houses. The first house was occupied by himself for residence. He purchased this house in 1999 for Rs.1,50,000. Its fair market value on 1<sup>st</sup> April, 2001 was Rs.2,10,000, Mahesh spent Rs.5,000 on its improvement on 10-9-2021 and sold it on 30<sup>th</sup> November, 2021 for Rs.18,00,000. He purchased another house for his residence on 25<sup>th</sup> February, 2022 for Rs.8,00,000.

He had purchased the second house for Rs.7,74,000 in 2007-08 and had let out for residential purpose. He sold this house on 15<sup>th</sup> June, 2021 for Rs. 16,00,000. He had purchased some jewellery in 2007-08 for Rs. 2,58,000. On 22<sup>nd</sup> February, 2022 he sold this jewellery for Rs.7,00,000 and purchased on 15<sup>th</sup> March, 2022 new jewellery of Rs. 75,000.

You have to determine the taxable capital gains of Shri. Mahesh for the Assessment Year 2022-23. The cost inflation indices are: 2001-02-100; 2007-08-129; 2021-22-317.