

26. Shri. Sharma sells his residential house in Mangaluru on 24th August, 2022 for Rs. 55,00,000 and incurs an expenditure of Rs. 1,00,000 in connection with the transfer. Cost of acquisition of the house for him in 1998 was Rs. 1,80,000 and on 1st April, 2001 the fair market was Rs. 8,00,000. On 16th January, 2023 he deposits Rs. 20,00,000 in the Capital Gains Account. Compute the taxable capital gains for the Assessment Year 2023-24. The cost inflation index for 2001-02 was 100 and for 2022-23 it was 331.

27. Mr. Seth gives the following particulars of his income relevant for the assessment year 2023-24:

Basic salary	Rs. 25,000 p.m.
Bonus	Rs. 25,000 p.m.
Commission	Rs. 10,000 p.m.
Entertainment allowance	Rs. 5000 p.m.

A rent-free unfurnished house has been provided in Chennai fair rent of the house is Rs. 60,000 p.a.

Employer has provided free use of small car for official as well as personal purposes. Car can also be used by the family members of Mr. Seth.

Employer's contribution towards recognized provident fund is Rs. 45,000. Payment of insurance premium by Mr. Seth on his wife's insurance policy taken on 10.2.2017 (sum assured Rs. 2,00,000) Rs. 24,000. Payment of insurance premium by Mrs. Seth on Mr. Seth's insurance policy Rs. 4000.

He has received interest on his deposit in the company Rs. 18,500 (date of payment of interest 30.3.2023)

Determine the total income of Mr. Seth for the assessment year 2023-24.

(2 × 10 = 20 Marks)

(4)

21U560

(Pages: 4)

Name:

Reg. No:

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2023

(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.

1. Who is an Assessee?
2. What is Gross total income?
3. What you mean by TAN?
4. Define person.
5. Explain the exempted limit of Children Education Allowance.
6. What is Unrecognised Provident Fund?
7. How is arrears of rent received treated for tax purpose?
8. Write four allowances which are fully taxable?
9. List out any four incomes, which are chargeable under the head Income from Business?
10. Explain the income tax provisions relating to deduction towards entertainment expenditure in the hands of business concerns.
11. What do you mean by transfer in relation to capital assets?
12. How is cost of acquisition of goodwill and trade mark determined for capital gains?
13. State the rules of grossing up under the head income from other sources.
14. What you mean by clubbing of income?
15. What is Short Term Capital Gain?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

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

16. Distinguish between previous year and assessment year.
17. Mr. Suresh is getting a pension of Rs.12,000 per month from a company. During the previous year he got his two-third pension commuted and received Rs.7,38,000. Compute the exempted amount, if (i) he also received gratuity, (ii) he did not receive gratuity.

(1)

Turn Over

18. Mr. X is the owner of four houses, which are all let out and are covered by the Rent Control Act. From the following, particulars find out the Gross Annual Value in each case, giving reasons for your answer:

Particulars	I	II	III	IV
Municipal Value (Rs.)	30,000	26,000	35,000	30,000
Fair Rent (Rs.)	36,000	28,000	30,000	36,000
Standard Rent (Rs.)	30,000	35,000	36,000	40,000
Actual (De facto) Rent (Rs.)	40,000	30,000	32,000	32,000

19. From the following information compute depreciation on furniture for the Assessment year 2023-24.

WDV on 1st April 2022 Rs. 1,10,000/-

Furniture purchased on 2nd June 2022 Rs. 15,000/-

Furniture purchased on 8th January 2023 Rs. 20,000/-

Part of old furniture sold on 19th Feb. 2023 Rs. 3,000/-

Rate of depreciation 10%

20. What are the exceptions to capital assets?

21. In the following cases determine the taxable capital gains u/s 54:

(i) Indexed cost of residential house:- Rs. 3 Crore

(ii) House sold in P. Y. 2022-23:- Rs.7 Crore

(iii) Two New residential houses purchased in P. Y. 2022-23 cost 3 crore and 2 crore

22. Can a capital loss be set off against business income?

23. From the following particulars in respect of Mr. Adarsh an author of books, find out the deduction allowable to him u/s 80C:

i) Life Insurance premium (on his own life) Policy taken in 2011	-	22,000
ii) Sum assured on the above policy	-	2,00,000
iii) Contribution to unrecognized Provident Fund	-	1,000
iv) Contribution to Public Provident Fund	-	95,000
v) Subscription to National Savings Certificates (VIII issue)	-	18,000
vi) Accrued interest for one year completed N.S.C (VIII issue)	-	8,000
vii) Life Insurance Premium (on his mother's Life Policy)	-	5,000
viii) Repayment of loan borrowed for construction of house	-	21,000

(Ceiling: 35 Marks)

(2)

Part C (Essay questions)

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

24. On the basis of the following information, compute the taxable income of X under the head 'Salaries' for the Assessment Year 2023-24:

	Rs.
Basic salary	50,000 p.m.
Dearness allowance	12,000 p.m.
Entertainment allowance	300 p.m.
Hill area compensatory allowance	450 p.m.
His own contribution towards statutory provident fund	4,000 p.m.
Employer's contribution	4,000 p.m.
House rent allowance	10,000 p.m.
Interest credited to provident fund	26,500

He is paying 12,500 p.m. as house rent.

25. Mr. N prepared the following profit & loss account of his cloth shop for the year ended 31st March, 2023. Find out his income from the business for the Assessment Year 2023-24:

Profit & Loss Account (for the year ended 31st March, 2023)

	Rs.	Rs.	
Salaries and Wages	33,000	Gross Profit	3,34,725
Rent, etc.	1,600	Gifts received from relative	275
Household expenses	82,000		
Income tax	900		
Advertisement	800		
Postage expenses	600		
Gifts to relatives	900		
Fire Insurance Premium	400		
Life Insurance Premium	2,100		
Bad Debts Reserve	800		
Audit Fees	400		
Net Profit transferred to Capital A/c	2,11,500		
Total	3,35,000		3,35,000

(3)

Turn Over