

# END TERM EXAMINATION

FIFTH SEMESTER [BBA] JANUARY-FEBRUARY 2023

Paper Code: BBA301/BBA(B&I)-301 Subject: Income Tax Law & Practice

Time: 3 Hours

Maximum Marks: 75

Note: Attempt five questions in all including Q.No.1 which is compulsory.

- Q1 Answer any five from the following: (25)
- Differentiate between Tax planning & Tax avoidance.
  - State any 5 income exempted from Tax.
  - Income of previous year is always taxable in the immediately following assessment year. Comment
  - Perquisite in respect of rent free accommodation
  - After the death of X in the year 2020-21, Mrs. X receives a pension of Rs. 10,000 per month from her husband's employer. State the head and amount of income taxable in her hands for the assessment year 2022-23.
  - Short-note on expenses of scientific research.
  - State the kinds of Provident Fund and explain?
  - Define annual value. How is it determined?
- Q2 Describe in how many categories the residential status of an assessee is divided. Also explain the conditions of those categories.
- Q3 The following particulars relate to the income of Srinivasan for the assessment year 2022-23: (12.5)
- He is employed in a cotton textile mill at Delhi on a monthly salary of Rs. 25000. He is also entitled to following allowances and perquisites:
- Dearness Allowance @ Rs. 6000 pm. <https://www.ggsipuonline.com>
  - Bonus @ 2 months basic salary.
  - Entertainment allowance @ Rs. 2000 pm.
  - House Rent Allowance @ Rs 7000 pm.
  - Actual rent paid @ Rs 4000 pm
  - Transport allowance @ Rs 200 pm.
  - Children education allowance for 3 children @ 200 per month each
  - He is also provided with gas, electricity and water facility and employer spent Rs 15000 on these facilities.
  - Gift of smart watch worth Rs 14000 was received from employer.
  - Car with engine capacity 1.7 liter is given for both office and personal use. All the maintenance expenses are met by employer.
  - He and his employer both contribute 10% of his salary to his recognized provident fund and interest credited to this fund @ 12% amounted to Rs 30000 during the previous year.

- l) He donated Rs 18000 to National Defence fund.  
Compute his Taxable income and Tax liability for the Assessment year 2022-23.
- Q4 a) What are the provisions applicable for "house property" when unrealized rent is realized subsequently?  
b) Is agricultural income taxable in India? (12.5)
- Q5 What do you mean by capital asset? Explain the term cost of acquisition and computation of indexed cost of acquisition. Also explain the rules of exemption under section 54 and 54 D. (12.5)
- Q6 Compute the advance Tax payable by Ronit from the following income for the assessment year 2022-23 (12.5)
- a) Gross Salary = Rs. 600000 PA  
b) Rent from house property per annum = Rs 150000  
c) Interest on Government Securities = Rs. 8000 pa  
d) Interest on saving Bank Deposits = Rs. 3000 pa  
e) Agricultural Income = Rs 290000 pa  
f) Contribution towards PPF = Rs 25000
- Q7 What is Block of Asset? Elaborate the specific deductions allowed to a businessman assessee for computing his business income. (12.5)
- Q8 Explain any three of the following: (12.5)
- a) Provisions related to clubbing of income of spouse and minor child.  
b) Provisions related to set off and carry forward of business losses.  
c) Who is eligible to file ITR 1?  
d) TDS on winning from lottery and crossword puzzles.

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FIFTH SEMESTER [BBA] NOVEMBER-DECEMBER 2019

Paper Code: BBA (B&J)-301  
BBA-301

Subject: Income Tax Law & Practices

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 Enumerate any 10 incomes which do not form part of total income, also explain the meaning of Income as per Income Tax Act in India.
- Q2 How will you determine the residential status of an individual and HUF? What is the scope of total income for an individual?
- Q3 X owns two identical houses in Delhi, both of which are self occupied. From the following information, suggest which house should be treated as self occupied.

Particulars	House -I (Rs.)	House-II(Rs.)
Standard Rent under Delhi Rent control Act	3,30,000	3,30,000
Municipal valuation	3,00,000	3,00,000
Fair Rent	3,00,000	3,00,000
Municipal Taxes (Paid)	30,000	30,000
Insurance Premium (Paid)	15,000	5000

Construction of both houses was completed in September 2015. X had borrowed Rs. 25,00,000 @ 9% p.a. for constitution of house-II (Date of borrowing 1.6.2014), date of repayment of loan 30.06.2018.

- Q4 Explain the term 'Capital gain' as per Income Tax Act. Distinguish between long term and short term capital gain. Also explain the provisions of section 54 B with regard to capital gain on sale of agricultural land.
- Q5 How will you adjust or set off the following, for the assessment year 2019-20.  
(a) Business loss of 2010-11, Rs 80,000  
(b) Short term capital loss of 2011-12, Rs 15000  
(c) Short term capital loss of 2013-14, Rs 22,000  
(d) Long term capital loss in 2010-11, Rs. 12,000  
(e) Loss from house property in 2013-14, Rs 22,000  
Give reasons for your answer.
- Q6 "An assessee is not only liable for his/her own incomes for tax purposes but his liability extends to some other incomes also". Comment.
- Q7 (a) Discuss the provisions of income tax relating to advance payment of income-tax.  
(b) R estimates his income for the previous year 2018-19 at Rs. 8,90,000. Besides this income he has also earned long term capital gain of Rs 1,80,000 on transfer of gold on 1.12.2018. Compute the advance tax payable by R in various installments.
- Q8 Write short notes on any three:-  
(a) TDS on rental income  
(b) TDS on income of professionals  
(c) TDS on winnings from lotteries or cross word puzzles  
(d) Duties of a person responsible for deduction of TDS.