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Reg. No.

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VI Semester B.B.A. Degree Examination, August/September - 2023

AVIATION MANAGEMENT

Income Tax - II

(CBCS Scheme 2019-20 Freshers and Repeaters)

Paper : 6.2

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in English only.

SECTION - AAnswer any **FIVE** sub-questions. Each question carries 2 marks. (5×2=10)

1. a. What do you mean by profession?
- b. Mention any four admissible expenses while calculating income from business.
- c. What is long term Capital Asset?
- d. What is casual Income?
- e. What is the provision U/S 80 U of IT Act 1961?
- f. How do you calculate indexed cost of improvement?
- g. Mention any two no limit 100% deductible donations U/S 80 G.

SECTION - BAnswer any **THREE** questions. Each question carries 6 marks. (3×6=18)

2. Dr. Kishore has provided the following information for the year ending 31.3.2022. Compute taxable income from profession for the assessment year 2022-23.

Receipts :

Visiting fees

Consultation fees

Gift from patients

Sale of medicines

Operation theatre fees

Rs.

1,25,000

1,20,000

22,500

65,000

37,500



[P.T.O.]



(2)

38622

5,000

Dividend received

Payments :

Salary to staff	1,20,000
Clinic rent	36,000
Purchase of medicines	70,000
Professional books (annual)	20,000
Car expenses (1/2 personal)	5,000
Donation	6,000
Life insurance premium	2,500

3. Mr. Anil purchased a plot of land in 2004-05 for Rs. 2,00,000. It was sold on 30.11.2021 for Rs. 20,00,000 and paid Rs. 3,00,000 as brokerage on sale.
He invested Rs. 5,00,000 in NHAI bonds on 1.3.2022.
Compute his taxable capital gain for the A.Y. 2022-23.
[C11 : 2004-05 = 113; 2021 - 22 = 317].
4. State whether the following expenses are admissible or inadmissible while computing business income.
- GST paid during the year Rs. 15,000.
 - Interest on capital Rs. 10,000.
 - Fire insurance premium on house property Rs. 5,000.
 - Donation to political party Rs. 5,000.
 - Loss due to embezzlement by an employee Rs. 1,000.
 - Staff welfare expenses Rs. 2,000.
5. Mr. Raju furnishes the following incomes for the year ending 31.3.2022. Compute his total income for the A.Y. 2022-23 [Ignore alternative tax Regime U/S 115BAC].
- Income from salary Rs. 1,50,000 (computed).
 - Income from house property Rs. 2,00,000 (computed).
 - Income from other sources Rs. 3,00,000 (computed).
 - Life insurance premium paid Rs. 50,000.
 - Donation to prime minister national relief fund Rs. 20,000.
 - Rajiv Gandhi Foundation Rs. 10,000.



(3)

38622

SECTION - C

Answer any **THREE** questions. Each question carries **14** marks.

(3×14=42)

6. From the Profit and Loss A/c of Mr. Ranjith for the year ended 31.3.2022. Compute his income from business for the A.Y. 2022-23.[Ignore alternative tax Regime under section 115BAC].

Particulars	Rs.	Particulars	Rs.
To Salaries	1,65,000	By Gross profit	2,50,000
To Office expenses	18,000	By Bad debts recovered	10,000
To Depreciation	14,000	By Dividend	3,000
To GST	9,000	By Commission	10,000
To Legal expenses	8,000	By Rent received	9,000
To Income tax	7,000	By Sundry receipts	15,000
To Patents purchased	12,000	By Short term capital gain	3,000
To Repairs	6,000		
To Donation	2,000		
To Provision for bad debts	3,000		
To General expenses	12,000		
To Net profit	44,000		
	<u>3,00,000</u>		<u>3,00,000</u>

Additional Information :

- Salary includes Rs. 6000 paid to workers employed at home.
 - Legal expenses includes Rs. 1,000 paid to the advocate in connection with personal case.
 - General expenses includes Rs. 4000 as contribution to staff welfare fund.
 - Out of the bad debts recovered only Rs. 4000 were allowed as deduction earlier.
 - Allowable depreciation Rs. 24000 (excluding depreciation on patent rights).
7. During the year ended 31st March 2022. Mr. Kiran a resident gives the following information.
- Agricultural land in Mysore (urban city) purchased in may 1999 for Rs. 30,000 (FMV as on 1.4.2001 Rs. 40,000). Sale consideration Rs. 6,00,000. Date of sale 1.11.2021.
 - Shares (listed) purchased on 1.5.2021 for Rs. 25000. Sale consideration Rs. 40,000. Date of sale 1.2.2022.
 - Machinery purchased in 2013-14 for Rs. 50,000 (WDV as on 1.4.2021 = Rs. 35,000). Sale consideration 60,000. Date of sale 1.12.2021.

[P.T.O.]



- d. Residential house property purchased in 2008-09 for Rs. 60,000 is sold on 1.3.2022 for Rs. 5,00,000. Mr. Kiran purchased another house for his residence on 1.2.2022 for Rs. 2,00,000.

[C.I I = 2001-02 = 100; 2008-09 = 137; 2013-14=220; 2021-22 = 317].

Compute capital gain for the A.Y. 2022-23.

8. Mr. Ajay a resident in India earned the following incomes during the previous year 2021-22. Compute his taxable income from other sources for the A.Y. 2022-23. (Ignore alternative tax Regime under section 115BAC).

a. Dividend on preference shares (Gross)	Rs. 2,00,000
b. Remuneration as Chief Examiner	Rs. 4,000
c. Interest on fixed deposit (Gross)	Rs. 10,000
d. Interest on units of UTI	Rs. 2,000
e. Interest on post office savings bank A/c	Rs. 8,000
f. Income earned from sub - letting of house (expenses incurred on sub - letting Rs. 500).	Rs. 10,500
g. Family pension	Rs. 30,000
h. Rs. 12,000, 12% tax free commercial securities (unlisted)	
i. Winnings from lottery received	Rs.21,000.
j. Rs. 10,000 5% debentures of Delhi Development Authority.	

9. Ms. Savitha submits the following particulars for the previous year ending march 31st 2022. (Ignore Alternative tax Regime under section 115BAC).

a. Business income	Rs. 2,83,000
b. Long term capital gain	Rs. 1,10,000
c. Short term capital gain (not covered by the section 111A)	Rs. 50,000
d. Interest on debentures	Rs. 9,000
e. Contribution to PPF	Rs. 4,000
f. Payment of medical insurance premium on own life	Rs. 3,000
g. Donation to National Defence Fund	Rs. 4,000
h. Donation to clean ganga fund	Rs. 3,000
i. Donation to Jawaharlal nehru memorial fund	Rs. 2,000

Ms. Savitha is physically handicapped person with severe disability.

Compute her total income for the A.Y. 2022-23.