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VI Semester B.B.A. Degree Examination, September/October - 2022

BBA - AVIATION MANAGEMENT

Income Tax - II

(CBCS Scheme Freshers 2019-20)

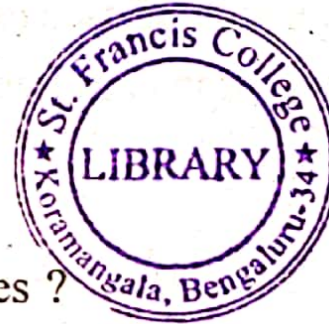
Time : 3 Hours

Maximum Marks : 70

*Instructions to Candidates :**Answers to be written completely in English only.*

## SECTION - A

1. Answer any Five sub-questions. Each question carries Two marks. (5×2=10)
- What is profession?
  - What is Casual Income?
  - What is short term capital Asset?
  - Expand TDS.
  - What is Gross Total Income?
  - What are listed and unlisted securities ?
  - State any 4 incomes chargeable under the head Income from other sources.



## SECTION- B

Answer any Three questions. Each question carries Six marks. (3×6=18)

2. Write a short notes on set - off of losses.
3. Mr. Krishna purchased a piece of land on 04-01-1998 for Rs. 50,000. This land was sold by him on 2-9-2020 for Rs. 15,00,000. The market value of land as on 1-4-2001 was Rs. 1,00,000. Expenses on sale were 2% of the transfer price. Compute the capital Gains (taxable) for the assessment year 2021-22. Assume the cost inflation index for 2020-21 to be 301.
4. Mr. P's investment during the year ended 31<sup>st</sup> March 2021 consisted of the following.
- |   | (Rs.)  |
|---|--------|
| i) 7% Government Securities                   | 25,000 |
| ii) 8% Agra municipal Bonds                   | 15,000 |
| iii) 9% Bombay port trust bonds               | 20,000 |
| iv) 7% Government Bonds                       | 18,000 |
| v) 6% Securities of a Foreign Government      | 15,000 |
| vi) Interest Credited to Sukanya-Samridhi A/c | 3,000  |

[P.T.O.]



He paid Rs. 60 as commission for collecting the taxable interest on securities and Rs. 1200 as interest on the loan which he had taken for the purpose of purchasing the Bombay Port Trust Bonds find out his income under the head. "Income from other sources."

5. Sri Suryaputra has the following Investments for the year ended 31-3-2021.
- Dividend from Indian company Rs. 4,000
  - Rs. 80,000 in post office savings bank A/c which earns the interest @ 5% P.A.
  - Rs. 74,000 10% tax free debentures of Mysore Municipal Corporation.
  - 14% Karnataka State Electricity Board bonds Rs. 30,000
  - Rs. 50,000 fixed deposits with Canara Bank Mysore at 8% p.a
- Compute the Income from sources of Sri Suryaputra from the above investment for A.Y. - 2021-22.

### SECTION-C

Answer any 3 questions. Each question carries 14 marks. (3×14=42)

6. From the following information compute Eligible deductions from gross total Income of Mr. Z for the AY 2021-22.

	Rs.
1. Lic premium paid (Sum assured Rs.2,00,000 policy taken on 10/2/2018)	30,000
2. Deposit in PPF	60,000
3. Repayment of Housing Loan to SBI	50,000
4. Payment to LIC pension fund	30,000
5. Interest paid on Loan is taken for the higher education of wife	15,000
6. Medical insurance premium paid by cheque for parents (aged 75 years) not dependent on assessee	25,000

7. Keshav submits the following particulars about the sale of assets during the year 2020-21.

Particulars	Jewellery (Rs.)	Land (Rs.)	Silver (Rs.)
Selling price	14,00,000	36,48,000	10,00,000
Selling expenses	-	48,000	-
Cost of acquisition	2,58,000	4,52,000	2,00,000
Year of acquisition	2007-08	2004-05	2001-02



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Keshav has purchased a house for Rs.40 lakhs on 1/1/2021. Calculate the amount of taxable capital gains.

Cost inflation index:

2001 - 02 - 100

2004 - 05 - 113

2007 - 08 - 129

2020 - 21 - 301

8. Shri Radhey Lal, the proprietor of a flour mill has prepared the following profit and loss account for the year ending 31<sup>st</sup> March 2021. You are required to compute his income from business and his gross total income for the A.Y. - 2021 - 22.

Profit & Loss A/c			
To Trade expenses	450	By Gross profit	2,35,900
To Establishment charges	2,200	By dividends from	
		A co-operative society	2,600
To Rent, Rates & Taxes	1,400	By Rent from property	500
To Discount & Allowance	200	By Baddebts recovered	2,000
To Income Tax	700	(Allowed as a deduction	
		in an Earlier year)	
To Interest	1,450		
To Postage charges	100		
To Gifts & presents	125		
for publicity			
To fire insurance premium	250		
To charities	375		
To Donations	400		
To Repairs and Renewal	250		
To Audit fees	250		
To Net profit transferred			
to capital A/c	2,32,850		
	<u>2,41,000</u>		<u>2,41,000</u>

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9. Mr. Harish is a practicing chartered Accountant. He maintains his A/cs on cash basis. Following is the Receipts and payments A/c for the year end 31/3/2021.

Receipts	(Rs.)	Payments	(Rs.)
To Balance b/d	9,300	By Office Rent	52,400
To Audit fees	5,64,700	By Salary of audit clerk	24,800
To Income from other accounting work	1,56,800	By Allowance of articled clerk	1,800
To Fees for conducting Income tax appeal	8,100	By Salaries	32,400
To Examiner fees from University	600	By Municipal tax	400
To Dividend (Gross)	7,840	By Personal Expenses	1,53,500
To Rent from property	4,000	By Membership fees	1,100
		By Life Insurance premium	1,500
		By Income Tax	52,500
		By motor - car purchased	2,09,000
		By Expenses of motor car	600
		By insurance of House property	300
		By Balance c/d	2,21,040
	<u>7,51,340</u>		<u>7,51,340</u>

Having regard to the fact that one third of motor car expenses is in respect of his professional practice. Compute professional Income of Mr. Harish Assuming the rate of depreciation on car at 15%.