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V Semester B.B.A. Degree Examination, March/April - 2023

BUSINESS ADMINISTRATION

Income Tax - I

(CBCS Semester Scheme F+R)

Paper : 5.1

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should be written in English only.

SECTION- A

Answer any Five questions. Each sub question carries 2 marks.

(5×2=10)

1. a) Write any two differences between Previous Year and Assessment Year.
- b) What is Income Tax?
- c) What do you mean by Exempted Income?
- d) Who is a Non-Resident?
- e) What is Gratuity?
- f) Write any two types of Provident Funds.
- g) Write the expansion of NAV and PAN.



SECTION - B

Answer any Three questions. Each question carries 5 marks.

(3×5=15)

2. Explain in brief any 5 Cannons of Taxation.
3. Determine whether the following incomes are agricultural income or non-agricultural incomes with reasons.
 - a) Income from sale of earth for brick making.
 - b) Income from stone quarries and fishing
 - c) Income from growing flowers and creepers.
 - d) Share of profit of a partner from a firm engaged in agricultural operations.
 - e) Income from sale of spontaneously grown trees.

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4. Mr. Rajan an Indian citizen left India on 17th August 2021 for the first time to U.K for the purpose of employment. What is his residential status for A.Y. 2022-2023?
5. Mr.Kamal a Non-government employee received an encashment of leave salary of Rs. 56,000 at the time of his retirement. He retired on 1st January 2022. His salary at the time of retirement is basic pay Rs. 5,000 per month. Duration of service 30 years and 8 months. Leave availed during the service 25 months. Compute his taxable leave salary for the Assessment Year 2022-23.

SECTION - C

Answer any Three questions. Each question carries 15 marks. (3×15=45)

6. Mr. Ajay gives you the following particulars of his income relevant for the previous year 2021-22. Determine the Gross Total Income of Mr. Ajay for the Assessment Year 2022-23, if he is
- Resident and Ordinary Resident
 - Resident but not Ordinary Resident, and
 - Non Resident.
 - Profit on sale of House Property at Malaysia (one half is received in India) Rs. 6,50,000.
 - Profit on sale of Building at Mysore Rs. 12,20,000.
 - Salary from an Indian company received in Burma (one half is paid for services rendered in India) Rs.7,50,000.
 - Interest on German Development Bonds (entire amount received in German) Rs. 8,00,000.
 - Income from property in China received there Rs. 6,00,000.
 - Profit from a business in Mangalore managed from Bangalore Rs. 2,00,000.
 - Income from agriculture in Tumkur Rs. 5,00,000.



7. Compute the taxable salary to Mr. Jagan for the Assessment Year 2022-23 from the following particulars.

- a) Basic Salary Rs.20,000 per Month
- b) Bonus Equal to 2 Months basic salary
- c) DA 22,000 Per Month (Forming part of Salary)
- d) HRA Rs.12,000 Per Month (He is residing in his own house)
- e) CCA Rs.1,000 Per Month
- f) Medical Allowance Rs.1,500 Per Month
- g) Contribution to RPF 14% of Salary
- h) Interest Credited to RPF @ 12% Rs.36,000
- i) Children Education Allowance Rs. 500 Per Month Per Child for three children
- j) Professional Tax Paid by him Rs.300 per Month.

8. Smt. Jayanthi is a Principal of a college in Chennai. She gives you the following details of her income from salary for the previous year 2021-22.

- a) She gets a monthly pay of Rs. 50,000
- b) She gets Rs. 6,000 p.m. as dearness allowance and Rs. 200.p.m. as CCA.
- c) She has been provided with furnished accommodation by the college. The college is not the owner of the house. The rental value of the house is Rs. 3,000 p.m. and furniture costing Rs. 24,000 has also been provided by the college.
- d) She has been given a small car, which in addition to college work, is used by her for her private purpose also. The driver's remuneration and all the expenses relating to the use of the car are borne by the college.
- e) She has been provided with the facility of a gardener, watchman and a servant who are paid by the college @ Rs. 150.p.m, Rs. 1, 200.p.m, and Rs. 800 p.m. respectively.
- f) She contributes 10% of her pay to R.P.F. towards which the college contributes @ 8%.

Determine her taxable income from salary for the A.Y.2022-23.

[P.T.O.]



9. From the following particulars of house properties owned by Mr. Mahesh, compute his taxable income from house property for the A.Y.2022-23.

Particulars	I House	II House	III House	IV House
Municipal value	80,000	90,000	1,20,000	1,24,000
Actual rent	1,08,000	---	1,44,000	1,30,000
Local taxes paid	6,600	4,800	8,000	3,800
Repair charges	8,000	9,000	6,000	5,000
Fire insurance premium	1,000	2,150	2,000	2,500
Interest on loan for construction	4,180	25,000	4,800	4,200
Unrealized rent	--	---	3,000	--
Vacancy period	--	--	3 Months	---

The second house is self-occupied. The first and third house is let out for residence and the fourth house is let out for business. The tenant paid local taxes of the fourth house.