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VI Semester B.B.A. Degree Examination, September - 2021

MANAGEMENT

Income Tax

(CBCS Fresh Semester Scheme(Regular))

Paper : 6.3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers Should be completely in English only.

SECTION - A

Answer any 5 sub-questions. Each sub-question carries 2 marks.

(5×2=10)

1. a. What is previous year?
- b. Expand
 - i. CBDT and
 - ii. PAN
- c. Who is an assessee?
- d. List out any four incomes exempted from tax.
- e. What is standard rent?
- f. List out the types of securities.
- g. What is a specified employee?

SECTION - B

Answer any 3 questions. Each question carries 6 marks.

(3×6=18)

2. Briefly explain the types of provident funds.
3. Classify the following incomes as agricultural or non - agricultural.
 - a. Sale of crops from agricultural land.
 - b. Rent of house situated in village used for residence.
 - c. Royalty received from stone qualities.
 - d. Income from sale of forest trees of spontaneous growth.
 - e. Sale of plants grown in nursery.
 - f. Dividend from domestic company engaged in agricultural operations.

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4. Compute The Net Annual value from the following details :

<u>Particulars</u>	<u>House - I</u>	<u>House - II</u>
Municipal value	50,000	70,000
Fair rental value	60,000	75,000
standard rent	45,000	65,000
Annual Rent	72,000	84,000
Municipal Tax	10% of M.V	10% of M.V.

5. Mr. Chandan sold a house on 1-10-2019 for Rs. 80,00,000. This house was inherited by him during 1998-1999 from his father who had constructed it in 1985-86 for Rs. 1,20,000. Mr. Chandan spent Rs. 1,00,000 for renovation of this house in 2002-03. FMV as on 1-4-2001 was Rs. 22,00,000.

Compute the amount of capital gain for the AY 2020-21. (CII 2001-02 = 100, 2002-03=105 and 2019-20 = 289).

6. Compute income from other sources of Mr. Ashok for the AY 2020-21.

- Family pension received Rs. 3,000 P.M.
- Winnings from House Race Rs. 28,000 (Net)
- Winnings from lottery (net) Rs. 70,000
- Interest on fixed deposits Rs. 15,000 (Gross)
- Interest on post office savings Bank A/c Rs. 6,000.
- Purchase of lottery tickets.

SECTION - C

Answer any 3 questions. Each question carries 14 marks.

(3×14=42)

7. Following are the particulars of Mr. Ram.

- Profit from business in Bengaluru Rs. 1,00,000
- Rent received from House in U.S.A. Rs. 80,000
- Profit from hotel business in Tokyo (1/3 received in India) Rs. 90,000
- Profit from business in Russia Which is controlled from delhi. Rs. 60,000
- Dividend from Domestic company Rs. 20,000
- Income from agriculture in Srilank Rs. 75,000
- Income from agriculture in Mandya Rs. 55,000
- Royalty income earned in Japan but received in Bengaluru Rs. 40,000

Compute total income of Mr. Ram if he is

- Resident and ordinary Resident.
- Resident but not ordinary resident.
- Non - Resident.



8. Compute taxable income from salary of Mr. Rajesh from the following particulars.
- a. Basic salary Rs. 20,000 P.M.
 - b. Dearness Allowance Rs. 10,000 P.M. forming part of salary for retirement benefits.
 - c. City compensatory Allowance Rs. 1,000 P.M.
 - d. Entertainment Allowance Rs. 3,000 P.M.
 - e. Education allowance Rs. 300 P.M. for two children.
 - f. Bonus equal to two months salary.
 - g. Free use of domestic servants.
 - i. Sweeper Rs. 1,000 PM.
 - ii. Watchman Rs. 1,500 PM.
 - iii. Cook Rs. 2,000 PM.
 - h. Employee and employer's contribution to RPF @14% of salary.
 - i. Interest credited to RPF A/c @ 14% Rs. 28,000.
 - j. Employee paid professional tax Rs. 4,000 p.a.

9. The following is the profit and loss A/c of Mr. Ranjith for the year ending 31-03-2020

<u>Particulars</u>	<u>Rs.</u>	<u>Particulars</u>	<u>Rs.</u>
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 sales tax	9,000	By commission	10,000
To legal expenses	8,000	By Rent of HP	9,000
To Income tax	7,000	By Brokerage	10,000
To patents purchased (1/8th)	12,000	By sundry Receipts	5,000
To Repairs	6,000	By share of income from HUF	3,000
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.

- a. Salary includes Rs. 6,000 paid to workers employed at home.
 - b. Legal expenses include Rs. 1,000 paid to the advocate in connection with personal case.
 - c. General expenses include Rs. 4,000 as contribution to staff welfare funds.
 - d. Out of the bad debts recovered only Rs. 4,000 were allowed as deduction earlier.
- Compute his income from business for the AY 2020-21.

[P.T.O.]



10. Dr. Ramesh has provided the following information for the year ending 31-3-2020, compute taxable income from profession for the AY 2020-21.

<u>Receipts</u>	<u>Rs.</u>
Visiting fees	5,00,000
Consultation fees	2,40,000
Gifts from patients	90,000
Sale of medicines	1,30,000
Operation theatre rent	1,50,000
Dividend received	10,000

<u>Payments</u>	<u>Rs.</u>
Salary to staff	2,40,000
Clinic Rent	72,000
Purchase of medicines	1,40,000
Professional books	40,000
Car expenses (1/2 personal)	10,000
Donations	12,000
Life Insurance Premium	5,000

11. Mrs. Narayan Submit the following particulars of income from other sources for the year ended 31-3-2020.
- Family Pension from sort of Karnataka Rs. 42,000 P.a.
 - Royalty from books written Rs.20,000 (expenses in curred for this purpose Rs. 2500).
 - Remuneration from articles published in a magazine Rs. 2000.
 - Cash worth Rs. 1,00,000 was found in her private locker. The source of which could not be explained by her.
 - Interest on fixed deposit in a bank Rs. 15,000 (Gross).
 - Rent from sub-letting a house Rs. 1500 PM (Rent paid to the owner Rs. 1000 PM and repair expenses Rs. 2000).
 - Winning from lottery (net) Rs. 70,000 (purchase of lottery tickets Rs. 100).
 - Winning from house race Rs. 35,000 (Net) compute taxable income from other sources of Mrs. Narayan for the AY 2020-21.