

B.B.A. (CBCS Pattern) Semester-V
UCB5C01 - Income Tax

P. Pages : 4

Time : Three Hours



GUG/W/24/13033

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) What is meant by assesses? 8
b) Write any ten examples of non-agricultural income? 8

OR

- c) Give the objectives of tax planning? 8
d) When a firm is treated as non-resident? 8
2. a) Smt. Reshma Khan is the manager of the Delhi Cloth Mill, Delhi. She receives every month Rs. 30,000 as basic pay, Rs. 500 as entertainment allowance and Rs. 7,000 as dearness allowance P.M. 8
- 1) She owns a house, but the company has provided her the following amenities:
a) A gardener, a sweeper and servant who are each paid Rs. 300 per month.
b) Free use of the refrigerator costing Rs. 5,000.
- 2) The following obligations of her were paid by the company.
a) Gas electricity and water bill amounting to Rs. 2,000.
b) Annual membership fee of rotary club Rs. 2,400.
- 3) Her son is studying in school run by the company. The annual expenses incurred by the company per student is Rs. 3,600 but had he been sent for education to similar school, a sum of Rs. 1,200 would have been payable during the year.
- 4) She proceeded on one month's leave to Shimla by car where she stayed in Holiday Home maintained by the company.
- 5) The company allotted her 100 share at Rs. 100 each. The fair market value per share on which the option vest with the employer was Rs. 350.
- Compute taxable income from salary of Mr. Suresh for the A.Y. 2021-22.

- b) Mr. Suryanarayan Indian citizen and resident in India, provided following of his income for the P.Y. 2019-2020. 8
- | | |
|--|--------------|
| 1) Basic Salary | Rs. 2,88,000 |
| 2) Dearness Allowance | Rs. 57,600 |
| 3) Self Contribution to R.P.F. | Rs. 40,320 |
| 4) Employer's Contribution to R.P.F. | Rs. 40,320 |
| 5) Interest on Balance on R.P.F. @ of 8% | Rs. 28,000 |
| 6) Bonus | Rs. 24,000 |
| 7) He has been provided with rent free accommodation at Chennai for which employer paid rent of Rs. 25,00 P.M. | |
| 8) He was allowed to use refrigerator and A.C. costing Rs. 16,000 & Rs. 24,000 respectively. | |
- There W.D. Value on 1/04/2020 was Rs. 9,000 & Rs. 14,000 respectively.

- 9) Employer paid L.I.C. premium were Rs. 24,000 for an Insurance Policy of Rs. 4,80,000 on Mr. Suryanarayan. Compute the taxable salary of Mr. Suryanarayan for the A.Y. 2020-21.

OR

- c) Mr. Venkatesh Panga was appointed in a company of Mumbai on the grade Rs. 5,000 – 100 – 7,500 since 1st January 2015. **16**

- 1) He receives 50% dearness allowance.
- 2) Besides this he is getting Rs. 2,500 P.M. entertainment Allowance. In terms of service he is required to entertain the client of company.
- 3) He receives also house rent allowance Rs. 800 p.m. He has taken a flat at the rent Rs. 2,000 p.m.
- 4) The company provides him a Sweeper, cook and Gardner and paid them Rs. 200 p.m. each.
- 5) He has been provided two motor cars, one of these is large and another small. The car used in personal use also. The company bears the expenses for only official use. The cost of large car is Rs. 6,00,000 and small car of Rs. 3,00,000. The expenses relating to car are Rs. 80,000 and 60,000 respectively.
- 6) The employer and employee each contributed 8,335 of salary and dearness allowance to R.P.F.

Compute Income from salary for the A.Y. 2019-20 assuming that salary is due at the end of month. The company has entered into an agreement with him to pay tax free salary. So the company has paid Rs. 3,400 Income tax payable by him.

3. a) Mr. Prakash owns 3 House properties. House No. 1 and House No. III are used for his residential purpose and House No. II is Let out on a Monthly rent of Rs. 15,000. **8**
Following are the other particulars of these house properties.

Particular	House No. I	House No. II	House No. III
Municipal Value	1,10,000	1,20,000	2,40,000
Fair Rent	1,25,000	1,50,000	2,70,000
Standard Rent (URC Act.)	1,00,000	90,000	2,04,000
Municipal tax Paid	16,000	18,000	24,000
Amount Spent on repairs	15,000	12,000	30,000
Interest Paid on Loans taken for building	25,000	30,000	30,000
Vacancy Period	---	3 Month	---

Mr. Prakash could not occupy house No. III for two months.
Compute the income under the head house property.

- b) Mr. Waghmare owns a house, the construction of which was completed in May 2015. **8**
Municipal Value of House Rs. 1,90,000, Fair rent Rs. 2,00,000 and Standard rent Rs. 1,80,000. The house property has been let out for Rs. 16,000 P.M. Municipal taxes paid during the year were Rs. 40,000 nce.
Compute the annual value and income from house property.
- a) House remain vacant for one month.
 - b) House remain vacant for three month.

OR

- c) Mr. Anant Kumar is the owner of two houses which are occupied by him for self-residence. He has given the following information in respect of these house for the previous year 2016-17. 8

Particular	House I	House II
Municipal Value	25,000	10,000
Fair Rent	30,000	12,500
Municipal Taxes paid	3,750	1,250
Interest on loan for construction house	37,500	7,500
Fire Insurance premium	500	250

He opted for first house for getting self-occupancy concession. Find out his income from house property for the assessment year 2017-18.

- d) Following are the details of House property of Mr. Vikram Shinde. 8

Particular	House I	House II
Use of House	Self	Let-out
Standard Rent	56,000	36,000
Rent received	Nil	36,000
Fair Rent	62,000	42,000
Municipal Valuation	44,000	24,000
Municipal Taxes Paid	2,200	1,200
Municipal Taxes Due	1,200	1,200
Ground Rent Paid	500	1,000
Interest on Loan for construction Due	10,000	5,000
Interest on Loan for construction paid	10,000	10,000

Compute the income from house property of Mr. Vikram Shinde for the assessment year 2017-18.

4. a) Mrs. Rekha submits the following details of her income: 8

- 1) Family pension from State Govt. Rs. 30,000.
- 2) Royalty received from publisher (She spent Rs. 5,000 for printing) Rs. 50,000.
- 3) Winning from lottery (Net) Rs. 56,000.
- 4) Winnings from Horse race (Net) Rs. 28,000.
- 5) Interest on Tax-free debenture (Listed) Rs. 27,000.
- 6) Interest on 10% Tax-free Bonds of Govt. of India Rs. 10,000.
- 7) Dividend from UTI-M.F. Rs. 8,000.

Compute her Income from other source for the A.Y. 2017-18.

- b) The following income are received by Anita Gupta during financial year 2020-21. 8

- 1) Director's fees 3600
- 2) Income from agricultural land in Bangladesh Rs. 14,000
- 3) Ground rent for land in Jammu Rs. 12,000
- 4) Interest on Postal Saving Bank A/c. Rs. 12.00.
- 5) Interest on deposit with Industrial Finance Corporation of India Rs. 900.
- 6) Dividend from a foreign company Rs. 1,100.

- 7) Rent from sub-letting a house Rs. 37,500.
- 8) Rent payable by Anita for sub-let house Rs. 15,000.
- 9) Other expenses on sub-let house Rs. 1,500.
- 10) Winning from lottery (Net) Rs. 28,000.
- 11) Interest on securities (Gross) Rs. 5,000.

You are required to calculate income from other sources of Anita Gupta for the 2017-18.

OR

- c) The following are the detail relating to Mr. Sudesh for the previous year ending 31-03-2019. **8**

- 1) Income from agriculture in Pakistan Rs. 5,000.
- 2) Ground rent for land in Amravati Rs. 10,000.
- 3) Interest on postal saving bank A/c. Rs. 10,000
- 4) Interest on deposit with ICICI Rs. 5,000.
- 5) Dividend from foreign company Rs. 700.
- 6) Rent from subletting a house Rs. 26,250.
- 7) Rent paid by Mr. Sudesh for sublet house Rs. 12,000.
- 8) Other expenses for subletting house Rs. 1,000.
- 9) Winning from horse race Rs. 12,300.

Compute the income from other sources for the A.Y. 2019-20.

- d) Mr. Vasu furnishes the following particular of his investments for the P.Y. ended 31-03-2018. **8**

- 1) Rs. 20,000 8% Municipal Debenture.
 - 2) Rs. 30,000 10% Karnataka State Govt. Loan.
 - 3) Rs. 20,000 18% Tax-free Debenture of X Co. Ltd. listed in a recognized stock exchange.
 - 4) Rs. 20,000 7% Capital Investment Bonds of Govt. of India.
- He also received during the same P.Y.:
- i) Rs. 2,000 as interest on Central Govt. Securities.
 - ii) Rs. 2,000 as interest on State Govt Securities.
 - iii) Rs. 900 as interest on Debenture of X Co. Ltd. (not listed in Recognized stock exchange)
 - iv) Rs. 1,500 as interest on Bank deposit.
 - v) Rs. 1,000 interest on loan given to relative.

He paid Rs. 100 as commission to his banker for collecting interest on securities.

Computer his income from others Sources.

5. Write Short Notes.

- a) Previous Year & Assessment Year. **4**
- b) Deduction U/S 80 D. **4**
- c) Net Annual Value (NAV). **4**
- d) TAN & PAN. **4**
