

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

P. Pages : 4

Time : Three Hours



GUG/S/25/13033

Max. Marks : 80

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

1. a) Explain the concept of income under Income Tax Act. 8
b) Write detail of residential status of an assessee. 8

OR

- c) Distinguish between assessment year & previous year. 8
d) State the deductions covered U/S 80C, 80 CCC and 80 CCD. 8
2. a) Mr. Suresh Bele is employed in a company in a Mumbai received the following salary. 8
Perquisites from his employer during the previous year 2021-22
1) Basic Pay Rs. 16,000 PM.
2) He also gets DA at 20% of his basic pay.
3) House rent allowed of Rs. 2,500 PM.
4) Entertainment allowance of Rs. 700 PM.
5) Warden allowance of Rs. 800 PM.
6) Free medical treatment was availed by him and his family members in a hospital owned by the company, The cost of such treatment any other hospital would have been Rs. 20,000.
7) He owns a car which he used for office and private purpose. The running and maintenance expenses of the car are paid by the Company Rs. 5,000.
8) Mr. Suresh is paying Rs. 3,000 PM as house rent.
Compute taxable income from salary of Mr. Suresh for the A.Y. 2022-23.

- b) Mr. Sadanand Kale Executive officer in a company at Pune for the year ended 31st March 2020 he furnished the following particular of his income. 8
1) Basic Salary Rs. 13,000 P.M.
2) Dearness Allowance Rs. 4,000 P.M.
3) Entertainment Allowance Rs. 1,000 P.M.
4) Assistance Allowance of Rs. 1,200 P.M.
5) Commission Rs. 5,000.
6) Bonus Rs. 10,000
7) He has been provided with small car used for official and personal purpose for which all expenses paid by company.
8) Tax on employment paid by employee Rs. 2,500.
9) The company has provided a rent free accommodation of the annual rent paid by company of Rs. 36,000. The cost of furniture is Rs. 20,000.
Compute his income from salaries for the A.Y. 2021-22.

OR

- c) Mr. Shriram is working Mahalaxmi Paper Mills, Mumbai. The following particular of his income for the P.Y. 2019-20. 16
- 1) He gets a basic pay of Rs. 17,000 P.M.
 - 2) Dearness allowance Rs. 12,500 P.M.
 - 3) Entertainment allowance Rs. 11,500 P.M.
 - 4) Education Allowance Rs. 350 p.m. for a child.
 - 5) He has been provided with a rent free house by the Mill, the fair rent of which is Rs. 40,000 p.a. The mill also provides him with the facility of free use of furniture costing Rs. 1,40,000 and a refrigerator costing Rs. 18,000.
 - 6) City compensatory salary allowance Rs. 4,000 p.m.
 - 7) The mill has provided him with two small cars, the expenses of which are borne by the mill. The cars also used partly for private purposes. The salary of the driver is paid by the mill. Other information relating to the car is
Cost of each car 4,00,000
Salary to each driver Rs. 3,000 P.M.
Expenses Ist Car Rs. 45,000 and IInd car Rs. 40,000
 - 8) Professional Tax paid by Mr. Shri Ram Rs. 2,500.
 - 9) Rs. 15,000 for medical expenses of family members for treatment in a private hospital were reimbursed by the mill.
 - 10) The company has provided the amenity of free lunch and free refreshment in office. The cost of which is Rs. 60 and Rs. 20 per day respectively for Rs. 250 days.
 - 11) He as well as the company contributes 14% of full basic pay and half of the dearness allowance towards a recognized provident fund.
 - 12) Club bill of Rs. 32,850 paid by employer.
 - 13) Interest on accumulated provided credit is 20,000
- Compute Mr. Shriram taxable salary income and tax liabilities for the assessment year 2020-2021.

3. a) Mr. Yusuf Pathan owns a house the construction of which was completed in July 2017. 50% of the floor area is let-out for residential purpose. However, this portion was also self-occupied for two months and 50% portion is occupied for self-residence. The particular regarding the house. 8

Fair rental value	Rs. 1,48,000 P.A
Municipal value	Rs. 1,50,000 P.A
Actual rent value	Rs. 90,000 P.A
Municipal Taxes paid	Rs. 30,000
Repairs	Rs. 36,000
Collection charges	Rs. 3,000
Interest on loan taken for construction	Rs. 20,000

Determining the income from House property. Assessment year 2021-22.

- b) Dr. Atharv owns Big house at Nagpur the construction of which was completed. Half of the house is let-out W.E.F 1-6-2016 at Rs. 4,000 P.M. He uses half portion of this house for self-residence. The municipal value of the property is Rs. 78,000 and taxes paid are Rs. 5,500. Interest paid on borrowed capital is Rs. 25,000. Compute income from house property both floor are identical. 8

OR

- c) Mr. Pranjal Sharma owns a Two house property at Kolkata, Let-out for residential purpose. Other details are as under:-

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Particular	House I	House II
Municipal Value	1,20,000	1,40,000
Municipal taxes paid by owner	---	14,000
Municipal tax paid by tenant	12,000	---
Annual rent	12,000 P.M.	14,000 P.M.
Furniture provided (rent)	1,000 P.M.	1,000 P.M.
Ground rent	---	Rs. 1,200
Insurance (Paid)	---	Rs. 1,180
Interest on Mortgage loan (amount borrowed was use for daughter marriage)	---	
Interest for 2019-20	10,000	Rs. 12,000
Interest accrued up-to 31-03-2018 (On money borrowed for construction)	12,000	Rs. 6,000
When Construction Completed	01-04-2018	30-06-2018

House no. II let-out from 1st Feb. 2019 and remain vacant from 1st Feb 2020 onwards.
Compute income chargeable to tax under the head income from house property.

- d) A owns a house which he has let-out to B following are the particular of this house for the Previous year 2016-17

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Rent received Rs. 96,000
Standard rent Rs. 80,000
Municipal Value Rs. 72,000
Fair Rent Rs. 90,000
Municipal Taxes Paid Rs. 12,400
Ground Rent Paid Rs. 600
Interest paid on loan for construction of House Rs. 8,000
Calculate Income from House property for the A.Y. 2016-17

4. a) Mr. Dhote received the following income during the P.Y 2019-20

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- Rs. 36,000 as interest (Net) on debentures issued by local authority.
 - Rs. 40,000 as interest on Government securities.
 - Rs. 80,000 as interest on Debenture of Meghraj Ltd.
 - Rs. 1,08,000 as interest on Debenture of Raj Ltd (listed on Ruhul Delhi stock exchange)
 - Rs. 40,500 as Interest on post office saving bank A/C
 - Rs. 10,000 interest on post office saving A/C
 - Income from agricultural Land in Bangladesh Rs. 25,000
- Calculate the income under the head of Income from other sources.

- b) Dr. Munje has submitted the following details of his income from other sources for the previous year 2019-20.

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- Rs. 90,000 received by the assesses from his friends on the occasion of the marriage of his son.
- He owns a non-agricultural land in Gadchiroli which he has leased out a private Transport company for parking of trucks and buses.

- 3) He owns another piece of Land in the area of Nagpur municipal corporation. This land is being used for weekly market and he gets Rs. 2,500 P.M. as rent of the land from NMC.
- 4) He owns a quarry near Akola which he has let-out on Royalty based on production. He received Rs. 16,000 as royalty and Spent Rs. 500 for collection charges which were approved by Tax assessment officer.
- 5) He gave management consultancy services to a number of entrepreneurs This gave him an income of Rs. 40,000.
- 6) He received Rs. 40,000 as income from Agricultural land owned by him but situated out of India.
- 7) He is elected member of Parliament from Akola constituency and gets Rs. 5,000 as salary P.M and received Rs. 40,000 as daily allowance for attending the session of the parliament.

Calculate his taxable Income from Other sources.

OR

- c) Mrs. Umakant a resident assessee of India received in cash the following as Net Income from securities during the previous year 2018-19. **8**
- 1) Interest on Govt Securities Rs. 18,000
 - 2) Rs. 10,800 Interest on debenture of an Indian Company.
 - 3) Rs. 13,500 Interest on debenture of Local authority (Chandrapur Improvement trust).
 - 4) Rs. 12,600 Interest on debenture of an Indian Company (Listed).
 - 5) Rs. 9,900 Interest on Tax free debenture (not listed) Issued by Indian Company.
- The Interest falls due for payment on 30th June and 31st December every year. Calculate the Income from Interest on Securities for the A.Y. 2017-18.
- d) Mr. Sumit an ordinary resident in India earned the following income during the financial year 2017-18. **8**
- On March 1st 2018 Sumit gets a gift gold ring from a cousin of his mother in law. The fair market value of
- | | |
|--|------------|
| Income from agricultural land in Nepal | Rs. 59,000 |
| Ground Rent | Rs. 5,000 |
| Interest on postal saving account | Rs. 10,000 |
| Interest on deposit with ICICI | Rs. 100 |
| Dividend from foreign company | Rs. 500 |
| Rent received from subletting house | Rs. 700 |
| Rent paid for subletting house | Rs. 26,250 |
| Other expenses for subletting house | Rs. 12,000 |
| Winning from race course (Gross) | Rs. 1,000 |
| Interest on securities | Rs. 12,300 |
| | Rs. 4,000 |
- Compute the income from other sources of Mr. Sumit for the A.Y. 2018-19

5. Write Short Notes :

- a) Agricultural Income **4**
- b) Provision for Gratuity **4**
- c) Net Annual Value (NAV) **4**
- d) TAN & PAN **4**
