



CB – 419

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VI Semester B.B.A. Examination, August/September 2023
(CBCS) (2016 – 17 and Onwards) (Repeaters)
BUSINESS ADMINISTRATION
Paper – 6.3 : Income Tax

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written in **English** only.

SECTION – A

1. Answer **any 5** sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**
- Define Income.
 - Expand PAN and CBDT.
 - Who is resident but not ordinarily resident ?
 - What do you mean by profession ?
 - What is long term capital gain ?
 - What is family pension ?
 - Give the meaning of cost of acquisition.



SECTION – B

- Answer **any 3** questions. **Each** question carries **6** marks. **(3×6=18)**
- Briefly explain the cannons of taxation.
 - Mr. Satish an employee of XYZ Company Ltd. Mysore has left India for the first time on 16th July 2021 for higher Education in UK. Calculate his residential status for the Assessment Year 2022 – 23.
 - State whether the following are agricultural income or non agricultural income.
 - Income from sale of flowers and creepers.
 - Dividend received from company engaged in agricultural activities.
 - Profit on sale of agricultural land.
 - Income from agricultural land situated in Punjab.
 - Income from dairy products.
 - Income from farm house situated in agricultural land.

P.T.O.



5. Compute the annual value from the following information.

- ⇒ Municipal rental value Rs. 50,000
- ⇒ Fair rental value Rs. 72,000
- ⇒ Let out at Rs. 8,000 per month
- ⇒ Standard rent value Rs. 60,000
- ⇒ Municipal tax paid for previous year
 - 21 – 22 → Rs. 10,000
 - 20 – 21 → Rs. 10,000.

6. Mr. Suhas retired from services on 31-03-21. His pension was fixed at Rs. 6000 pm. He commutes one half of his pension and received Rs. 6,00,000/-. Find out the taxable amount of commuted pension.

- a) If he is non Govt. employee receiving gratuity.
- b) If he is non Govt. employee not receiving gratuity.

SECTION – C

Answer **any 3** questions. **Each** question carries **14** marks.

(3×14=42)

7. Sri. Ram submits the following particulars.

- a) Income from house property received in Paris Rs. 6,50,000
- b) Interest on SBI deposits received in Bhutan Rs. 18,000
- c) Share from HUF Rs. 2,05,000
- d) Income from business in Mumbai received in Bangalore (40% remitted to Nepal) Rs. 12,50,000
- e) Income from business in Singapore and the business is controlled from Mysore (25% received in Mysore) Rs. 10,00,000
- f) Royalty received in India for Services rendered in Japan Rs. 60,000
- g) Income from agricultural land in Sri Lanka (50% received in India)
- h) Dividend received from a domestic company Rs. 5,000
- i) Interest on post office savings bank A/c Rs. 3,000
- j) Past untaxed income brought into India Rs. 10,000

Compute his taxable income. If he is

- 1) Resident
- 2) Not ordinarily resident
- 3) Non resident.



8. Mr. Jagdish gives you the following information, compute income from salary.

- ⇒ Basic salary Rs. 3,74,000
- ⇒ DA 10% of salary
- ⇒ HRA Rs. 24,000 paid (rent paid by Hari in Chennai Rs. 50,000)
- ⇒ Interest on RPF 15% at Rs. 15,000
- ⇒ Employers contribution to RPF 14% of salary
- ⇒ Conveyance allowance Rs. 1000 pm (60% spent for official duties)
- ⇒ Entertainment allowance Rs. 500 pm
- ⇒ Children education allowance for 3 children Rs. 4,800
- ⇒ He paid life insurance premium on own life policy Rs. 10,000
- ⇒ Hostel allowance Rs. 10,000
- ⇒ Professional tax paid by employer Rs. 600 pm.

9. Mr. Pranav is the owner of 3 houses. The particulars are as follows.

Particulars	House A	House B	House C
Annual fair rent	40,000	35,000	50,000
Municipal valuation	50,000	40,000	50,000
Standard rent	45,000	42,000	55,000
Let out (per month)	3,000	2,500	—
Purpose of the	let out	Let out	Self
	residential	business	occupied
			property
Repairs	2,000	—	5,000
Collection charges	3,000	1,000	—
Interest on loan	15,000	5,000	2,000

Municipal tax is 10% on Municipal value, Municipal tax of House A paid by tenant, but Municipal tax of House B not paid till March, Municipal tax of House C was by owner. House A remained vacant for 3 months.

Compute Income from house property for AY 2022 – 2023.



10. Ms. Aishwarya is Chartered Accountant in Bangalore. Her income and expenditure account for the year is as follows. Compute income from profession for AY 22 – 23.

Expenditure	Amt.	Income	Amt.
To Office Rent	30,000	By Audit fees	2,00,000
To Staff salaries	55,000	By Financial	
To Charities	5,000	consultancy service	40,000
To Gift to relatives	6,000	By Dividends	46,000
To Drawings	16,000	By Gift from clients	46,000
To Car expenses	24,000		
To Travelling expenses	2,000		
To Net income	1,94,000		
	3,32,000		3,32,000

Additional Information :

- a) $\frac{1}{2}$ of the car expenses relates to personal use.
 b) Staff salary includes Rs. 10,000 paid to domestic servant.
 c) Professional income of Rs. 10,000 not shown in above accounts.
11. From the Profit and Loss A/c of Mr. Roshan for the year ending 31-3-2022. Compute income from business for AY 2022 – 2023.

To Office expenses	40,000	By Gross profit	6,40,000
To General expenses	16,000	By Int. on Govt. securities	11,200
To Int. on bank loan	4,000	By Discount received	16,000
To Audit fees	4,000	By Bad debts	800
To Interest on capital	12,000	By Sundry receipts	16,000
To Rent	20,000	By Dividend	16,000
To Income tax	16,000		
To Charity	8,000		
To Legal expenses	4,000		
To Compensation to retrenchment employees	20,000		
To Extension of building	36,000		
To Sales tax	8,000		
To Net Profit	5,12,000		
	7,00,000		7,00,000

Other Information :

- ⇒ Legal expenses include Rs. 1,600 paid towards personal case.
 ⇒ Rent includes Rs. 8,000 paid to the house in which assessee lives.
 ⇒ Office expenses included 2000 paid to domestic servant.