

E 6516

(Pages : 4)

Reg. No.....

Name.....

B.B.A./B.B.M. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2019

Sixth Semester

Choice Based Core Course—INCOME TAX—THEORY LAW AND PRACTICE

[Common for B.B.A. and B.B.M.]

(2013 Admission onwards)

Time : Three Hours

Maximum Marks : 80

Part A

Answer all questions.

Each question carries 1 mark.

1. Define an Assessee.
2. What is Previous Year ?
3. Define Agricultural Income.
4. What do you mean by Perquisites ?
5. What is Fair Rent ?
6. Write note on unabsorbed depreciation.
7. How is deduction allowed U/S 80 GG in respect of rent paid ?
8. What do you mean by Death-Cum retirement gratuity ?
9. Write a note on rebate U/S 87 A.
10. Define Business.

(10 × 1 = 10)

Part B

Answer any eight questions.

Each question carries 2 marks.

11. What do you mean by long term Capital Asset ?
12. Write a short note on "Transfer of income, without transfer of asset".
13. What do you mean by cross transfers ?
14. What is Aggregation of Income ?
15. What do you mean by Accumulated loss ?

Turn over

16. How to describe the residential status of a HUF ?
17. Define Person.
18. Mr C a Japanese citizen left India after a stay of 10 years on 01-06-2012. During the financial year 2014-15, he comes to India for 46 days. Later he returns to India for 1 year on 10.10.2015. Determine his residential status for the A.Y. 2016-17.
19. Discuss leave Travel Concession.
20. Which are the situations, in which gifts are not taxable ?
21. What is advance tax ?
22. How is "House rent Allowance" exempt ?

(8 × 2 = 16)

Part C

Answer any six questions.

Each question carries 4 marks.

23. How to describe the residential status of individual ?
24. Mr. Ramesh, a resident, has provided the following particulars of his income for the P.Y. 2016-17 :

• Income from salary	–	2,30,000
• Income from House property	–	2,00,000
• Agricultural Income from a land in Jaipur	–	1,80,000
• Expenses incurred in earning agricultural income	–	1,20,000

Compute his tax liability his age is :

- (a) 45 Years.
- (b) 70 Years.

25. Explain the steps in aggregation of Agricultural Income.
26. Mrs. Indu a resident individual owns a house in U.S.A. She receives rent @ \$ 2000 per month. She paid municipal tax of \$ 1500 during the financial year 2016-17. She also owns a two storeyed house in Mumbai, ground floor is used for her residence and first floor is let out a monthly rent of Rs. 10,000 standard rent for each floor is Rs. 11,000 per month. Municipal tax paid for the house amounts to Rs. 7,500 Mrs. Indu had constructed the house by taking loan from nationalised bank on 20-06-2013. She repaid the loan of Rs. 54,000 including interest of Rs. 24,000. The value of one dollar is to be taken as Rs. 45. Compute total income from house property of Mrs. Indu.

27. The following are the details furnished by Orchid India Ltd. engaged in the business of Pharmaceutical products for the year ending 31-03-2017 :

<i>Particulars</i>		<i>Rs. in Lakhs</i>
(a) Sales for the year	..	500
(b) Manufacturing and selling expenses		
(including depreciation on research equipments Rs. 5 lakhs)	..	105
(c) Charges paid for acquiring know how	..	25
(d) Research and Development for in house training		
(i) Research equipment acquired	..	60
(ii) Remuneration to Scientist	..	10
(iii) Expenses for Research and Development	..	30
(iv) Contribution to approved scientific research institution	..	10

Compute the taxable income of the Company for the Assessment Year 2017-18.

28. Mr. Rahul, Director of X Ltd furnishes the following particulars for the Year ending 31-03-2017, (a) Investments in NSC-Rs. 60,000 ; (b) Life Insurance premium paid Rs. 30,000 ; (c) Deferred Annuity Plan-Rs. 30,000 ; (d) ICICI Pension Plan-Rs. 15,000 ; (e) Contribution to Pension Scheme of Government Rs. 25,000 each by the employees and employee ; (f) Investments in Rajiv Gandhi Equity Savings Scheme Rs. 40,000.

Compute the deduction admissible under Chapter VI A for the A.Y. 2017-18.

29. Distinguish between inter source adjustment and Inter Head adjustment.
30. Describe briefly on clubbing of Income.

(6 × 4 = 24)

Part D

*Answer any two questions.
Each question carries 15 marks.*

31. Explain the exemption available in the computation of Capital Gain.
32. Discuss, set off and carry forward of lossess.

Turn over

33. Mr. Banerjee furnishes you the following details for the year ended 31-03-2017 :

<i>Particulars</i>		<i>Rs.</i>
Income (Loss) from House Property :		
House 1	...	36,000
House 2	...	(20,000)
House 3	...	60,000
Profit and Gains from business or Profession :		
Textile Business	...	2,00,000
Automobile Business	...	(3,00,000)
Speculation Business	...	2,00,000
Capital gains :		
Long Term Capital Gain from the sale of		
shares (STT Paid)	...	1,50,000
LTCG from sale of vacant site	...	2,00,000
STCG from sale of building	...	1,00,000
[Above figures are computed and arrived after considering eligible deductions]		
Other sources :		
Gift from friend on 05-06-2016	...	60,000
Gift from Maternal uncle on 25-02-2017	...	1,00,000

Compute the Total Income of Mr. Banerjee for the A.Y. 2017-18.

34. What do you mean by perquisites ? Explain different types of perquisites.

(2 × 15 = 30)