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V Semester B.B.A. Degree Examination, March/April - 2022

BUSINESS ADMINISTRATION

Income Tax - I

(CBCS Semester Scheme 2019-20, 21 Batch only Fresh & Regular)

Paper : 5.1

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should be written in English only.

SECTION -A

Answer any Five sub questions. Each sub question carries Two marks. (5×2=10)

1. a) What are the different heads of income under the Income Tax Act?
- b) Who is a deemed assessee in default?
- c) Name any 4 examples of casual income.
- d) Who is NOR?
- e) How will you treat education allowance by an employee?
- f) What is Sec. 16 of the IT Act?
- g) What is the deduction allowed U/S 24 of the IT Act?

SECTION -B

Answer any Three of the following questions. Each question carries Five marks.
(3×5=15)

2. Discuss whether the following are agricultural incomes or non agricultural incomes.
 - a) Sale of plants from nursery
 - b) Interest on loan given to a farmer.
 - c) Income from agricultural activities in Srilanka.
 - d) Lease rent received from lands given to tenants for agricultural operations.
 - e) Remuneration received as manager of an agricultural farm.

[P.T.O.]



3. Mr. Bharath an employee of SN Co Ltd. Mysore has left India for the first time on 29th May 2020 for higher training in U.K. Calculate his residential status for the assessment year 2021-2022.
4. Determine the Net Annual Value House property for the A.Y. 2021-22

Particulars	Rs.
Municipal Value	1,50,000
Fair rent	1,70,000
Standard rent	1,30,000
Actual rent p.m.	15,000
Unrealised rent	18,000
House Vacancy period	1 month
Municipal tax paid	15,000

5. What is CBDT? Explain the Powers and functions of CBDT?

SECTION - C

Answer any Three of the following questions. Each question carries 15 marks.

(3 × 15 = 45)

6. From the following particulars of Mr. Sachin compute his gross Total Income for the A.Y. 20-21
- 1) Resident
 - 2) Not-ordinarily resident
 - 3) Non-resident
- a) Income from business in Chennai, business in managed from Srilanka Rs. 25,000
 - b) Income from House property in Mysore Rs. 1,00,000
 - c) Income from Salary in Japan Rs. 1,60,000
 - d) Income from business in Kuwait, business being controlled from Mumbai (Rs. 25,000 is received in India) Rs. 65,000.



- e) Income from agriculture in Punjab, received in Mumbai Rs. 30,000
- f) Income from agriculture in Bangladesh remitted to India Rs. 10,000
- g) Profit from sale of building in India Rs. 2,50,000
- h) Profit from business in Indonesia. This business controlled from Delhi Rs. 40,000
- i) Income from Indian partnership firm Rs. 5,000
- j) Interest on Savings Bank deposits in State Bank of India Rs. 1,000
- k) Dividend from foreign company received in England Rs. 10,000
- l) Interest on German Development Bonds ($\frac{1}{3}$ received in India) Rs. 51,000

7. Mr. Ranjith the manager of Toyota Ltd. Mumbai, has furnished the following details of his income for the year ended 31st March 2021.

- a) Basic salary Rs. 21,000 per month
- b) Bonus at two months basic salary.
- c) Commission is 3% on sales. During the year he reached a sales of Rs. 5,00,000
- d) Dearness allowance forming part of salary Rs. 7,000 per month (Considered to all retirement benefits)
- e) Medical allowances Rs. 1,400 per month.
- f) Entertainment allowances Rs. 3,000 per month.
- g) Childrens hostel allowance for his two children at Rs. 500 per month per child
- h) RPF company's contribution Rs. 6,000 per month
- i) RPF own contribution Rs. 5,000 per month.
- j) Interest on RPF at 11% p.a. Rs. 44,000
- k) Transport allowance Rs. 1,800 p.m.

He has been provided rent free furnished accommodation at Mumbai whose fair rental value is Rs. 10,000 and cost of furniture Rs. 60,000. He paid professional tax of Rs. 2,400 compute his taxable salary for the assessment year 2021-22.

8. Miss Sneha who is an officer in MN Ltd., gives you the following particulars:

- a) Basic salary Rs. 16,000 p.m.
- b) DA Rs. 1,000 p.m. (50% enters into all retirement benefits)
- c) HRA - Rs. 5,000 p.m. (Rent paid Rs. 7,000 at Bengaluru)



- d) Conveyance allowance Rs. 800 p.m. (Rs. 600 p.m. used for official purpose)
- e) CCA Rs. 150 p. m.
- f) Motor car of exceeding 1600 cc with driver provided used partly for official and partly personal.
- g) Payment of her LIC premium Rs. 8,000 by the Company.
- h) Children education allowance of Rs. 200 p.m. each for her 3 children.
- i) Services of Sweeper (salary Rs. 200 p.m.) put of which 50 p.m. each recover from Miss Sneha.
- j) She contributes 14% of her salary to RPF and the company makes a matching contribution to RPF, interest credited to RPF is Rs. 6,875 at 12.5% p.a on 2/6/2020, Compute her income from salary for A.Y. 2021-22.

9. Mr. Mahendra is the owner of the following houses in Bengaluru and the particulars of which are relating to previous year 2020-21

Particulars	House A (Rs.)	House B (Rs.)	House C (Rs.)
1. Municipal Value	1,20,000	1,32,000	1,44,000
2. Fair rental value	1,50,000	1,60,000	1,75,000
3. Standard rent	1,44,000	1,50,000	1,60,000
4. Nature of use	Let out for Residence	Let out for Business	Self occupied for residence
5. Rent received p.m.	15,000	18,000	---
6. Municipal tax paid by owner:			
a) For the year 2019-20	6,000	6,600	---
b) For the year 2020-21	12,000	13,200	14,400
7. Cost of repairs	18,000	12,000	---
8. Interest on loan for construction	45,000	60,000	2,25,000
9. Unrealized for the year 2020-21	12,000	18,000	---
10. Vacancy period (month)	2	2	---
11. Year of completion	2017	2016	2014

Compute taxable Income from house property for the A.Y. 2021-22.