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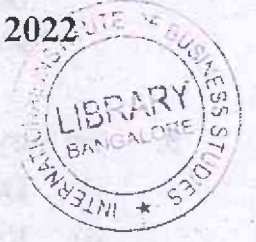
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VI Semester B.B.A. Degree Examination, September/October - 2022

BBA - AVIATION MANAGEMENT

Income Tax - II

(CBCS Scheme Freshers 2019-20)



Time : 3 Hours

Maximum Marks : 70

*Instructions to Candidates :**Answers to be written completely in English only.***SECTION - A**

1. Answer any Five sub-questions. Each question carries Two marks. (5×2=10)
- What is profession?
 - What is Casual Income?
 - What is short term capital Asset?
 - Expand TDS.
 - What is Gross Total Income?
 - What are listed and unlisted securities ?
 - State any 4 incomes chargeable under the head Income from other sources.

SECTION- B

Answer any Three questions. Each question carries Six marks. (3×6=18)

2. Write a short notes on set - off of losses.
3. Mr. Krishna purchased a piece of land on 04-01-1998 for Rs. 50,000. This land was sold by him on 2-9-2020 for Rs. 15,00,000. The market value of land as on 1-4-2001 was Rs. 1,00,000. Expenses on sale were 2% of the transfer price. Compute the capital Gains (taxable) for the assessment year 2021-22. Assume the cost inflation index for 2020-21 to be 301.
4. Mr. P's investment during the year ended 31st March 2021 consisted of the following.
- | | (Rs.) |
|---|--------|
| i) 7% Government Securities | 25,000 |
| ii) 8% Agra municipal Bonds | 15,000 |
| iii) 9% Bombay port trust bonds | 20,000 |
| iv) 7% Government Bonds | 18,000 |
| v) 6% Securities of a Foreign Government | 15,000 |
| vi) Interest Credited to Sukanya-Samridhi A/c | 3,000 |

[P.T.O.]

He paid Rs. 60 as commission for collecting the taxable interest on securities and Rs. 1200 as interest on the loan which he had taken for the purpose of purchasing the bombay port trust Bonds find out his income under the head. "Income from other sources."

5. Sri Suryaputra has the following Investments for the year ended 31-3-2021.
- Dividend from Indian company Rs. 4,000
 - Rs. 80,000 in post office savings bank A/c which earns the interest @ 5% P.A.
 - Rs. 74,000 10% tax free debentures of mysore municipal corporation.
 - 14% Karnataka state Electricity Board bonds Rs. 30,000
 - Rs. 50,000 fixed deposits with Canara bank mysore at 8% p.a
- Compute the Income from sources of Sri Suryaputra from the above investment for A.Y. - 2021-22.

SECTION-C

Answer any 3 questions. Each question carries 14 marks. (3×14=42)

6. From the following information compute Eligible deductions from gross total Income of Mr. Z for the AY 2021-22.

| | Rs. |
|--|--------|
| 1. Lic premium paid (Sum assured Rs.2,00,000 policy taken on 10/2/2018) | 30,000 |
| 2. Deposit in PPF | 60,000 |
| 3. Repayment of Housing Loan to SBI | 50,000 |
| 4. Payment to LIC pension fund | 30,000 |
| 5. Interest paid on Loan is taken for the higher education of wife | 15,000 |
| 6. Medical insurance premium paid by cheque for parents (aged 75 years) not dependent on assessee | 25,000 |

7. Keshav submits the following particulars about the sale of assets during the year 2020-21.

| Particulars | Jewellery (Rs.) | Land (Rs.) | Silver (Rs.) |
|---------------------|--------------------|---------------|-----------------|
| Selling price | 14,00,000 | 36,48,000 | 10,00,000 |
| Selling expenses | - | 48,000 | - |
| Cost of acquisition | 2,58,000 | 4,52,000 | 2,00,000 |
| Year of acquisition | 2007-08 | 2004-05 | 2001-02 |

Keshav has purchased a house for Rs.40 lakhs on 1/1/2021. Calculate the amount of taxable capital gains.

Cost inflation index:

2001 - 02 - 100

2004 - 05 - 113

2007 - 08 - 129

2020 - 21 - 301

8. Shri Radhey Lal, the proprietor of a flour mill has prepared the following profit and loss account for the year ending 31st March 2021. You are required to compute his income from business and his gross total income for the A.Y. - 2021 - 22.

Profit & Loss A/c.

| | | | |
|---------------------------|-----------------|-------------------------|-----------------|
| To Trade expenses | 450 | By Gross profit | 2,35,900 |
| To Establishment charges | 2,200 | By dividends from | |
| | | A co-operative society | 2,600 |
| To Rent, Rates & Taxes | 1,400 | By Rent from property | 500 |
| To Discount & Allowance | 200 | By Baddebts recovered | 2,000 |
| To Income Tax | 700 | (Allowed as a deduction | |
| | | in an Earlier year) | |
| To Interest | 1,450 | | |
| To Postage charges | 100 | | |
| To Gifts & presents | 125 | | |
| for publicity | | | |
| To fire insurance premium | 250 | | |
| To charities | 375 | | |
| To Donations | 400 | | |
| To Repairs and Renewal | 250 | | |
| To Audit fees | 250 | | |
| To Net profit transferred | | | |
| to capital A/c | 2,32,850 | | |
| | <u>2,41,000</u> | | <u>2,41,000</u> |

[P.T.O.]



9. Mr. Harish is a practicing chartered Accountant. He maintains his A/cs on cash basis. Following is the Receipts and payments A/c for the year end 31/3/2021.

| Receipts | (Rs.) | Payments | (Rs.) |
|---|-----------------|-----------------------------------|-----------------|
| To Balance b/d | 9,300 | By Office Rent | 52,400 |
| To Audit fees | 5,64,700 | By Salary of audit clerk | 24,800 |
| To Income from other accounting work | 1,56,800 | By Allowance of articled clerk | 1,800 |
| To Fees for conducting Income tax appeal | 8,100 | By Salaries | 32,400 |
| To Examiner fees from University | 600 | By Municipal tax | 400 |
| To Dividend (Gross) | 7,840 | By Personal Expenses | 1,53,500 |
| To Rent from property | 4,000 | By Membership fees | 1,100 |
| | | By Life Insurance premium | 1,500 |
| | | By Income Tax | 52,500 |
| | | By motor - car purchased | 2,09,000 |
| | | By Expenses of motor car | 600 |
| | | By insurance of House property | 300 |
| | | By Balance c/d | 2,21,040 |
| | <u>7,51,340</u> | | <u>7,51,340</u> |

Having regard to the fact that one third of motor car expenses is in respect of his professional practice. Compute professional Income of Mr. Harish Assuming the rate of depreciation on car at 15%.