



K21U 4656

Reg. No. :

Name :



V Semester B.B.A. Degree CBCSS (OBE) Regular
Examination, November 2021
(2019 Admn. Only)
Core Course in B.B.A.
I – Finance
5B13BBA : INCOME TAX LAW AND PRACTICE

Time : 3 Hours

Max. Marks : 40

SECTION – A

Answer **all** questions. **Each** carries 1 mark.

1. What is assessment ?
2. Who is a representative assessee ?
3. Who is a resident individual ?
4. Define perquisite.
5. Define annual value.
6. What is meant by clubbing of incomes ?

(6×1=6)

SECTION – B

Answer **any six** questions. **Each** question carries 2 marks.

7. What are the deductions from gross salary ?
8. State any two exempted incomes from house property.
9. Define previous year and assessment year.
10. Explain the various kinds of person.
11. What do you mean by inter-source set off of incomes ?
12. What is aggregation of incomes ?

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13. State the provisions of carry forward of losses.
14. Mr. Ram bought gold for Rs. 3,20,000 in January 2020 and paid a commission of Rs. 10,000 and sold it for Rs. 5,00,000 in March 2021. Compute capital gain.
(6×2=12)

SECTION – C

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

15. What is agricultural income ? State its features.
16. Explain the steps in finding total income.
17. State the incomes taxable under the head 'Other Sources'.
18. Miss Aradhya, a Russian national, got married to Mr. Prabhu of India in Russia on 2-03-2020 and came to India for the first time on 16-03-2020. She left for Russia on 19-09-2020. She returned to India again on 27-03-2021.
Determine her residential status for the assessment year 2021-22.
19. During the relevant previous year, Mr. Aswin, a bank employee who is now working at Calicut received Rs. 1,50,000 as salary, Rs. 30,000 as DA, Rs. 5,000 bonus and Rs. 22,500 as HRA. Determine exempted HRA if the actual rent paid by him for the house occupied by him during the year was Rs. 45,000. Calculate exempted HRA.
20. Compute the income from house property from the following information :
- Municipal value of the house is Rs. 18,000 p.a.
Fair rental value of the house Rs. 17,500
Actual Rent Rs. 2,000 p.m.
Municipal taxes Rs. 3,000 p.a.
Construction of the house was completed on 01-04-2020
The house was let out for the period 1st April 2020 to 31st December 2020
It was self-occupied from 01-01-2021 onwards
Fair insurance premium Rs. 1,200
Land revenue Rs. 3,000
Interest on loan for the period : 01-04-2017 to 31-03-2020 Rs. 22,500 and
01-04-2020 to 31-03-2021 Rs. 7,500.
(4×3=12)



SECTION – D

Answer **any two** questions. **Each** question carries **5** marks.

21. Define capital gain. Explain its kinds. Also state the steps for computing capital gains.
22. Explain the provision of deductions under Section 80C and 80G.
23. Shri Vikas is employed an engine driver in Indian railways. He is getting Rs. 7,500 p.m. as basic pay, Rs. 2,500 p.m. as dearness pay and Rs. 2,500 p.m. as D.A. During 2020-21, he received the following allowances also :
- 1) Rs. 16,500 running allowance p.a.
 - 2) Rs. 200 p.m. per child as education allowance for his two children
 - 3) One of his sons is staying in a hostel on which Shri Vikas is spending Rs. 800 p.m. He is getting Rs. 500 p.m. for his son as hostel allowance for meeting his expenditure.
 - 4) Rs. 250 p.m. as city compensatory allowance.
 - 5) Rs. 400 p.m. as uniform allowance fully spent on employment purposes.
 - 6) Rs. 1,250 p.m. as HRA, he pays Rs. 1,500 p.m. as rent to house owner. He contributed 10% of his basic pay and dearness pay to SPF and the Indian railways contributes a similar amount.

Compute his taxable salary for the A.Y. 2021-22.

24. The following is the profit and loss a/c of Alok Traders; you are required to compute their income for the assessment year 2021-22 taking in to account of the additional information given below.

Salary and wages	30,000	Gross profit	1,60,000
Proprietors salary	20,000	Dividends	7,000
Interest on capital	6,000	Bad debts recovered	10,000
Advertisement	7,400	Interest on securities	7,000
Fire insurance premium	3,000	Profit on sale of car	30,000
General expenses	14,000	Gift on son's marriage	10,000
Bad debts	2,000		
Donations	5,000		



Depreciation	10,000	
Income tax	8,000	
Advance income tax	4,000	
Car expenses	4,000	
Provision for bad debt	6,000	
Net profit	1,04,600	
	2,24,000	2,24,000

Additional information :

- 1) General expense includes Rs. 5,000 paid as compensation to an employee who had to remove from service and Rs. 6,600 as contribution paid to the Govt. for lying electric cables for the company's plants.
 - 2) Depreciation as regards the relevant blocks of assets under the Act Rs. 7,000.
 - 3) Car expenses include Rs. 1,000 meant for personal use.
 - 4) Bad debt recovered now had not allowed earlier. (2×5=10)
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