

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

**BBA (2012 & Onwards Batches) (Sem.-4)**

**INCOME TAX ACT**

**Subject Code : BBA-405**

**Paper ID : [A2375]**

**Time : 3 Hrs.**

**Max. Marks : 60**

**INSTRUCTION TO CANDIDATES :**

1. **SECTION-A is COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** consists of **FOUR** Sub-sections : **Units-I, II, III & IV.**
3. **Each Sub-section** contains **TWO** questions carrying **TEN** marks each.
4. **Student has to attempt any ONE** question from each **Sub-section.**

**SECTION - A**

**1) Write short notes on the following :**

1. Define the person.
2. Residential status of a company.
3. Explain the tax treatment of free medical facility under the head salaries.
4. Explain the treatment of preliminary expenses under section 351
5. Explain the computation of long term capital gain.
6. Explain Bond Washing Transactions.
7. Explain carry forward of business losses
8. Explain deduction under section 80DD.
9. What is PAN?
10. Explain Best Judgment Assessment.

## SECTION - B

### UNIT - I

- 2) Define Agricultural Income. What is the tax treatment of agricultural income under income tax act?
- 3) *“The incidence of income tax depends upon the residential status of an assessee”*. Discuss fully.

### UNIT-II

- 4) Name different kinds of provident funds of which a salaried person may be a member and state the income tax provisions regarding each.
- 5) Mr. K is assistant manager of a textile company of Jaipur, since 1986. He has submitted the following particulars of his income for the financial year 2013-14.
  1. Basic salary Rs 46,000
  2. Dearness allowance Rs 5,000 per month (Rs 200 per month enters into retirement benefits)
  3. Education allowance for two children at Rs 150 per month.
  4. Commission on sales 1% of turnover of Rs 10,00,0000.
  5. Entertainment allowance Rs 700 per month.
  6. Travelling allowance for his official tours Rs 30,000. The entire amount is spent on the official tour.
  7. He was given cloth worth Rs 1,000 by his employer free of cost.
  8. He resides in the flat of the company. Its market rent is Rs 2,000 per month. A watchman and a cook have been provided by the company at the bungalow who are paid Rs 400 per month each.
  9. He has been provided with a motor car of 1.8 ltr engine capacity for his official as well as his personal use. The running and maintenance costs are borne by the company.
  10. Employer's contribution to R.P.F is Rs 8,000 and the interest credited to this fund as 13% rate amounted to Rs 16,250.
  11. Contribution by Mr. K to R.P.F is Rs 5,400.
  12. Rent of house recovered from Mr. K is Rs 4,600.
  13. Tax deducted at source from the above payments Rs 6,000.

Compute income from salaries for the assessment year 2014-15. Assume the population of Jaipur is 26 lakh.