

BBA (Sem – 4th)
INCOME TAX ACT
SUBJECT CODE : BBA 405

TIME : 03 HRS

Paper ID- A2375

M.M : 60**Instructions to candidates:**

- 1) Section – A is compulsory.
- 2) Attempt any one question from each unit in Section – B.

Section – A

(10 × 2 = 20)

- Q1) a. Define Assessee
b. Exemption u/s 54F
c. Explain the treatment of House Rent Allowance
d. Deduction u/s 80D
e. Treatment of Preliminary expenses in Business and Profession
f. Treatment of Recognized Provident Fund
g. Integration Scheme for Agricultural Income
h. Deduction u/s 16(ii) for Entertainment Allowance
i. What is PAN
j. Residential status of a company

Section – B

(4 × 10 = 40)

Unit- 1

- Q2) What do you mean by residential status? Explain the provisions to determine residential status of individual.
- Q3) Define agricultural income as defined under section 2(1A) of Income Tax Act, 1961. What is partly agricultural and partly non agricultural income.

Unit- 2

- Q4) What do you mean by Annual Value of house property? Explain the procedure to determine Annual Value of house property in case of let out, self occupied and partly let out houses.
- Q5) Ms Rashmi is a software engineer employed in software company at Mumbai. Following are the details of her salary:
- a. Salary 20000 p.m
 - b. D.A 5000 p.m.
 - c. Company provided her a laptop for personal use, the cost of which is Rs 35000.
 - d. Company sold her a washing machine for Rs 20000, cost of which was Rs 30000.
 - e. Travelling expenses to abroad Rs 40000 are borne by the company.
 - f. Employer contributed Rs 10000 towards unit linked insurance plan.
 - g. She is provided with rent free furnished quarter in Mumbai valuing Rs 5000 p.m and furniture and fittings value Rs 15000. Population of Mumbai is 1.5 crore.
 - h. Special marriage gift given to the employee Rs 50000
 - i. Planning allowance Rs 500 p.m
 - j. Medical expenses paid by company Rs 10000
 - k. Medical allowance Rs 1250 p.m

- l. Employer company has provided a big car for her personal use and expenditure incurred by the company on the car during the year is Rs 60000. Cost of car is Rs 900000. Assume that the salary is due on the last day of every month.

Unit- 3

- Q6) What is short term and long term capital gains? Explain how to calculate short term and long term capital gain.
- Q7) Mr Rohit furnishes the following particulars of his income for the financial year 2012-13.
- a) Dividend received from UTI Rs 10000
 - b) Net amount received as winning from horse race Rs 21000
 - c) Winning from camel race (net) Rs 15000
 - d) Winning from lottery (net) Rs 70000. Cost of lottery ticket was Rs 500. Commission paid to lottery seller Rs 1000 out of prize money.
 - e) Income tax refund Rs 10000 (related to past year).
 - f) Interest on income tax refund Rs 1000.
 - g) Amount won from Kaun Banega Kropati Rs 200000
 - h) Interest on 8% tax free relief bonds issued by RBI Rs 5000
 - i) On 1-10-2012 he purchased 1000, 8% debentures of Rs 100 each of Hexa limited company from open market @ 105. Dates of interest payment are June 30 and December 31 every year.
 - j) On 1-10-2012 he subscribed for 1000, 10% debentures of Rs 100 each of pearl ltd. The date of interest payment is March 31 every year.
 - k) Interest received on Punjab government loan Rs 20000.
 - l) Interest received on 8% debentures of Phymox ltd Rs 4500
 - m) Gift from father Rs 50000
 - n) Family pension received Rs 48000
 - o) He lives in a rented premises paying rent @ Rs 10000 p.m. he sub let 1/3 portion of the house on rent of Rs 4500 p.m. the municipal tax Rs 6000 and repairs of whole house Rs 2700 have been borne by him.

Calculate income from other sources.

Unit- 4

- Q8) Explain in detail the deduction under section 80G of income tax act, 1961.
- Q9) From the particulars given below, compute the total income and tax payable of Mr. Deb a Central Government employee working at Chandigarh:
- | | |
|---|---------------|
| a. Salary | 20,000 p.m. |
| b. Travelling allowance (expenditure incurred 6,000 p.a.) | 5,000 p.a. |
| c. His contribution to SPF | 1,700 p.m. |
| d. Employer's contribution to SPF | 10% of salary |
| e. Interest on accumulated balance of SPF @ 13% | 12,000 |
| f. Entertainment allowance | 1,000 p.m |

He owns two houses, one of which is let out at a rent of Rs 400 p.m. and other (whose annual value is Rs 1000) remained vacant throughout the year on account of his employment at Ambala where he taken a house on rent. The two houses are subject to municipal taxes of Rs 600 and 100 respectively.

During the year he sold shares of Hero Honda Ltd and earned a short term capital gain of Rs 50,000 [STT paid]