Reg. No.		9.9	118	1		

BBABMC 211/BBMBMC 211

Credit Based Third Semester B.B.A./B.B.M. Degree Examination, Nov./Dec. 2018 (2012 Scheme) INCOME TAX

Time: 3 Hours Max. Marks: 120

Instruction: Show the working notes wherever necessary.

SECTION - A (2 marks each)

Answer any ten in one or two sentences each :

 $(2 \times 10 = 20)$

- a) What is assessment year?
- b) Mention the twin objectives of levying income tax.
- c) What is grossing up of interest?
- d) Give examples of partly agricultural income.
- e) What is fair rent?
- f) What is long term capital gain?
- g) State the exemptible limit of commuted pension.
- h) What is tax free income?
- i) Who is specified employee?
- j) List two characteristics of income.
- k) What is vocation?
- I) Give the meaning of gratuity.

SECTION - B (8 marks each)

Answer any five:

 $(8 \times 5 = 40)$

- 2. Explain the deductions permissible while computing the income from house property.
- 3. Explain the provisions pertaining to death cum retirement gratuity.



- 4. Ms. Vani an Indian citizen left India for the first time on 28th October 2010 to London. She came back to India in November 2012 and stayed here in India till August 2014, when she left to London. She again visited India on 4th January 2018. Compute her residential status for the A.Y. 2018-19.
- 5. During the P.Y. 2017-18, Mr. Naveen received the following: Basic - Rs. 15,000 p.m.
 - D. A. Rs. 500 p.m. (considered for P.F.)

Commission @ 1% on sales turnover of Rs. 10 lakh

HRA Rs. 3,000 p.m.

Rent actually paid for the house in Mysore is Rs. 4,000 p.m.

Compute taxable HRA.

- 6. Mr. Goutham has following income for the P.Y.
 - a) Income from business in Kundapur Rs. 80,000
 - b) Income from salary in Mangalore Rs. 2,00,000
 - c) Interest on Bank FD in Canara Bank Rs. 8,000
 - d) Income from business in Singapore controlled from Kundapur Rs. 1,50,000
 - e) Agricultural income in Hassan Rs. 50,000
 - f) Income from house property in Dubai Rs. 1,00,000
 - g) Income from business in USA Rs. 1,00,000 (1/2 received in India)
 - h) Past untaxed profit brought to India in the P.Y. Rs. 25,000

Compute total income if he is:

- i) OR
- ii) NOR
- iii) NR
- 7. Mr. Shreyas sold the residential house for Rs. 25,00,000 in November 2017. This house was purchased in 2002-03 for Rs. 5,00,000. He has spent Rs. 40,000 in 2005-06 for additions to the house. The selling expenses amounted to Rs. 20,000. He immediately purchased another house in July 2018 for Rs. 7,50,000 and deposited Rs. 1,50,000 in CGAS. Compute taxable long term capital gain.

CII for 2002-03

105

2005-06

117

2017-18 272



- 8. Mrs. Reena furnishes the following particulars of her income for the P.Y. 2017-18.
 - a) 10%, 20000 debentures of a company
 - b) 8%, 30000 taxfree Central Govt. securities
 - c) 10%, 15000 Karnataka Govt. bond
 - d) Rs. 20,000 dividend from UTI
 - e) Winning from horse race (Net) Rs. 7,000
 - f) Winning from lottery Rs. 35,000 (Net)
 - g) Directors fees Rs. 10,000
 - h) Income from subletting house Rs. 12,000

Compute income from other sources.

SECTION - C (20 marks each)

Answer any three :

 $(20 \times 3 = 60)$

- 9. From the following particulars of Mr. Karthik, compute his salary income and
 - i) Basic Rs. 20,000 p.m.
 - ii) D. A. Rs. 1,000 p.m. (enters into PF)
 - iii) Bonus Rs. 10,000
 - iv) Entertainment allowance Rs. 200 p.m.
 - v) Conveyance allowance Rs. 1,800 p.m.
 - vi) Hostel allowance Rs. 400 p.m. per child
- vii) He contributes 13% of his salary to RPF with equal contribution by the

Interest on RPF at 10.5% amounted to 10,500.

- viii) He is provided with rent free furnished house owned by the company. The cost of furniture is Rs. 1,00,000 (city population is above 25 lakh)
- ix) The company provided the services of sweeper and cook who are paid Rs. 500 p.m. and Rs. 700 p.m. respectively.
- x) During the P.Y. he made the following payments

LIC premium Rs. 25,000

PPF deposit Rs. 20,000

Professional tax Rs. 2,400.



10. Compute income from house property from the following particulars :

Particular	I	11	III	IV
Purpose	Let out	Let out	Self occupied	Let out
Municipal value	38,000	43,000	45,000	50,000
FRV	35,000	45,000	55,000	45,000
Rent received	40,000	50,000		48,000
Standard rent	36,000	47,000	60,000	55,000
Interest on housing	loan 6,000	8,000	4,000	a mont eine
Municipal tax paid	4,000	5,000	er mengemelle m . T il	r nooni s i
Municipal tax due	_	_	3,000	3,500
Vacancy	The same	2mths.	_	1mth.
Repairs	1,000	_	_	2,000

Dr. Saketh is a medical practitioner who maintains cash system of accounting.
 Compute his gross total income for the A.Y. 2018-19 from the following particulars.

	Rs.		Rs.
To Balance c/d	44,000 By	Rent	1,44,000
To Consultation fee 4,	00,000 By	Electricity	40,000
To Visiting fee 4,	00,000 By	Purchase of medicine	2,80,000
	50,000 By	Professional books	50,000
	00,000 By	Surgical equipment	3,80,000
To Honorarium from	Ву	Salary to staff	2,40,000
private hospital 1,	50,000 By	LIC premium	1,26,000
	52,000 By	Interest on Loan	40,000
	10,000 By	Personal expenses	1,50,000
	44,000 By	Balance c/d	1,00,000
Company of the Compan	50,000		15,50,000

Additional Information:

- a) Loan is taken for daughter's marriage
- b) O/S salary payable to staff is Rs. 30,000
- c) Depreciation on books is at 40% surgical equipments at 15%.
- 12. Explain the provision related to different types of provident fund.