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**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)**

1. Answer **any ten** in **one** or **two** sentences **each** : (2×10=20)
- What is assessment year ?
  - Mention the twin objectives of levying income tax.
  - What is grossing up of interest ?
  - Give examples of partly agricultural income.
  - What is fair rent ?
  - What is long term capital gain ?
  - State the exemptible limit of commuted pension.
  - What is tax free income ?
    - Who is specified employee ?
    - List two characteristics of income.
  - What is vocation ?
    - Give the meaning of gratuity.

**SECTION – B (8 marks each)**

Answer **any five** :

**(8×5=40)**

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

P.T.O.





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 :

(20×3=60)

9. From the following particulars of Mr. Karthik, compute his salary income and deductions u/s 80 C.
- 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 employer.  
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	II	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	—
Municipal tax paid	4,000	5,000	—	—
Municipal tax due	—	—	3,000	3,500
Vacancy	—	2mths.	—	1mth.
Repairs	1,000	—	—	2,000

11. 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
To Gifts and presents	50,000	By Professional books	50,000
To Loan from SBI	1,00,000	By Surgical equipment	3,80,000
To Honorarium from private hospital	1,50,000	By Salary to staff	2,40,000
To Dividend	1,52,000	By LIC premium	1,26,000
To Rent from subletting	10,000	By Interest on Loan	40,000
To Sale of medicine	2,44,000	By Personal expenses	1,50,000
		By Balance c/d	1,00,000
	<b>15,50,000</b>		<b>15,50,000</b>

**Additional Information :**

- Loan is taken for daughter's marriage
- O/S salary payable to staff is Rs. 30,000
- Depreciation on books is at 40% surgical equipments at 15%.

12. Explain the provision related to different types of provident fund.