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BBABMCN 602

**Sixth Semester B.B.A. Degree Examination, June/July 2024
(NEP 2020 Scheme) (2023 – 24 Batch Onwards)
INCOME TAX – II**

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any five** of the following. (2 marks each)

(5×2=10)

1. What is profession ?
2. What is short term capital gain ?
3. What is grossing up of interest ?
4. What is assessment ?
5. What is set off and carry forward of losses ?
6. What is PAN ?
7. A Machine costing ₹ 62,000 (acquired in June 2021) was sold for ₹ 84,000 in May 2022. What is the capital gain ?



SECTION – B

Answer **any four** of the following. (five marks each)

(4×5=20)

8. Explain the provisions regarding set off of losses.
9. Explain due date of filing returns by different assesses.
10. Explain the different types of assessment.
11. Mr. Krishna purchased a piece of land on 4-1-1998 for ₹ 50,000. This land was sold by him on 2-9-2022 for ₹ 15,00,000. The market value of land as on 1-4-2001 was ₹ 1,00,000. Expenses on sale were 2% of the transfer price. Compute the Capital Gains (taxable) for the Assessment Year 2023-24. Assume the Cost Inflation Index for 2022-23 to be 331 and 2001 to be 100.

P.T.O.



12. Mrs. Zaira is a practicing Chartered Accountant. She maintains her accounts on cash basis.

Following is the Receipts and Payments Alc for the year ended 31st March, 2023 :

Receipts	Amount ₹	Payments	Amount ₹
To Balance b/d	9,300	By Allowances of	
To Audit fees	5,64,700	articled clerk	52,000
To Fees for Income tax appeal	8,100	By Salary to audit clerk	24,000
To Dividend	7,840	By Municipal tax	1,000
To Rent from property	600	By Membership fees	1,500
To Income from other accounting work	1,56,800	By Personal expenses	1,53,000
		By Office rent	54,000
		By Income tax	52,500
		By Expenses of car	6,000
		By Balance c/d	4,03,340
	7,47,340		7,47,340

1/3 of car expenses of her professional practices. Rate of depreciation on car 15%.

Compute Professional Income of Mrs. Zaira.

13. The investments of Mr. Xavier on 1st April, 2022 were as given below :
- ₹ 72,000, 10% Tax-free Debentures of a Textile Company.
 - ₹ 54,000, 10% Tax-free Debentures issued by Rajasthan Financial Corporation.
 - ₹ 50,000, 5% U. P. Government Loan.
 - ₹ 18,000, 5% Debentures of Delhi Development Authority.
 - ₹ 1,44,000, 5% Tax-free Debentures of Mahendra and Mahendra Company listed in a recognised stock exchange.

Compute 'Income from Other Sources' for the Assessment Year 2023-24.

14. From the following information of Ms. Kavana , compute gross total income for the A. Y. 2023-24.

Business losses ₹ 46,000; Income from house property (computed) ₹ 2,50,000; Current year's depreciation ₹ 12,000; Past unabsorbed depreciation ₹ 29,500; income under the head capital gains ₹ 15,000; Income from other sources ₹ 72,000. Share in loss of another firm ₹ 35,400.



SECTION – C

Answer **any three** of the following. (10 marks each)

(3×10=30)

15. Explain the powers of Income Tax Authorities.
16. The following is the Profit and Loss Account of Mr. Shobith for the year ended on 31st March, 2023. Compute his taxable income from the business for that year.

	₹		₹
To Salaries and Wages	15,000	By Gross Profit	2,70,000
To Rent and Taxes	4,000	By Dividend from UTI	4,000
To Domestic Expenses	2,000	By Rent from LOP	10,000
To TDS on Interest.	500		
To Income Tax	1,200		
To Postal Charges	1,500		
To Donation	2,500		
To Life Insurance Premium	2,000		
To Audit Fees	1,500		
To Bad Debts Reserve.	1,800		
To Bad Debts	2,500		
To Depreciation	5,000		
To Net Profit	2,44,500		
	2,84,000		2,84,000



Other Information :

- a) Rent and Taxes include ₹ 2,000 paid as Municipal Tax on house let out.
 - b) Value of Life Insurance Policy is ₹ 18,000.
 - c) Permissible depreciation was ₹ 4,000.
 - d) Donation given to an approved institution.
17. The following particulars are submitted by Mr. Sanky for the Assessment Year 2023-24. You are required to compute total income, tax liability.

	₹
Income from Medical Profession	5,68,000
Income from House Property (Computed)	38,000
Agricultural Income	15,000



Long-term Capital Gains	20,000
Lottery Winnings from Assam State	50,000
Life Insurance Premium Paid (Policy 7 lakh taken in 2011)	75,000
Income from Card Game	19,000

18. Mr. Mahesh sold the following assets during the year 2022-2023.

- Gold ornaments acquired in July 2020 for ₹ 1,50,000 were sold for ₹ 1,80,000 in May 2022.
- Self cultivated land was sold for ₹ 6,50,000 in June 2022 and its purchase price in 2004-2005 was ₹ 50,000, cost of transfer ₹ 5,000. He purchased new land for cultivation in November 2022 for ₹ 1,25,000.
- Motor car sold on 1.12.2022 for ₹ 90,000, which was purchased by him in January 2020 for ₹ 1,40,000. Its written down value on 1.4.2022 was ₹ 1,00,000 (car used for business).
- Residential house purchased in July 2010 for ₹ 60,000, sold for ₹ 8,00,000 on 1-10-2022. During the year he purchased new residential house for ₹ 2,50,000 and invested ₹ 2,60,000 in specified bonds.

Compute taxable capital gains.

CII for 2001-02 : 100, 2004-05 : 113, 2010-11: 167, and 2020-21 : 301, 2022-23 : 331

19. Dr. Raksha submits following particulars of her income for year ended 2023. Compute income from other sources.

- Royalty income from publication of articles ₹ 10,000.
- Income from sub-letting of house ₹ 5,000 p.a. She paid rent of ₹ 3,000 p.a. for this house.
- Gift from brother ₹ 20,000.
- Winnings from cross-word puzzles ₹ 7,000 (net).
- Examinership remuneration ₹ 5,000. She has also following investments and incomes.
- Dividend on equity shares ₹ 10,000.
- ₹ 30,000, 6% tax free Govt. securities.
- ₹ 11,000, 10% Karnataka State Govt. loan.
- ₹ 20,000, 13% less tax commercial securities.
- ₹ 6,240, as interest on tax free debentures of a steel company (listed).
- ₹ 3,000 as interest on Govt. securities.

