

SIXTH SEMESTER B.B.A. DEGREE EXAMINATION, MARCH/APRIL 2015

(UG-CCSS)

Core Course

BB VI B14—INCOME TAX

Time : Three Hours

Maximum : 30 Weightage

Part A*Answer all questions.*I. Objective type questions. Answer all *twelve* questions :

- 1 The definition of income is _____.
(a) Inclusive. (b) exhaustive.
(c) complex. (d) simple.
- 2 Agricultural income in Pakistan is assessable for _____.
(a) Resident. (b) Not Ordinary Resident.
(c) Non-resident. (d) Not taxable.
- 3 In which section of IT Act exempted incomes have been mentioned ?
(a) Sec. 10. (b) Sec. 80.
(c) Sec. 88. (d) Sec. 2.
- 4 State which of the following incomes are exempted :
(a) Dearness Allowance. (b) Medical Allowance.
(c) City Compensatory Allowance. (d) Foreign Allowance.
- 5 Scholarship received by a student is _____.
- 6 Tax paid on house to Municipality is called as _____.
- 7 Exchange of capital asset is deemed to be, _____.
- 8 Speculative loss can be set off from _____.
- 9 What is the exemption limit for men for the AY 2013-14 ?
- 10 What is SPF ?
- 11 What is FRV ?
- 12 What is NOR ?

(12 × ¼ = 3 weightage)

Turn over

II. Short answer type questions. Answer all *nine* questions :

- 13 What is Previous Year ?
- 14 Who is an assessee ?
- 15 What is pension ?
- 16 What is cost of improvement ?
- 17 What is LTCG ?
- 18 What is leave encashment ?
- 19 What is total income ?
- 20 Mrs. Radhika owns a house. Its annual let out value is Rs. 24,000. During the year, it was let out on a monthly rent of Rs. 2,200. She incurred the expenses like : insurance premium Rs.500, municipal tax paid Rs. 1,000 and repairs Rs. 500, Compute her income from house property.
- 21 Agricultural land situated in Bombay purchased in 1984-85 for Rs. 25,000 sold for Rs. 5,30,000 on 1st May 2012. The assessee incurred a selling expense of Rs. 45,000 for the same. Find out the capital gain chargeable to tax for the AY 2013-14. (CII in 1984-85 is 125 and in 2012-13 is 852).

(9 × 1 = 9 weightage)

III. Short essay or paragraph questions. Answer any *five* questions from seven :—

- 22 What is capital gain? What are the different types ?
- 23 Discuss any six exempted incomes.
- 24 Mr. Rakesh retired from service on 31.12.2012. His monthly pension was fixed at Rs. 12000 per month. He commuted 1/3 of his pension and received Rs.5,24,000. Compute the taxable amount of pension for the previous year 2012-13 and normal pension if he is a government employee who received gratuity.
- 25 Sri Virad employed at Amritsar gets Rs.78,000 as salary and Rs.6,000 as dearness pay. He received Rs.38,000 as house rent allowance though he paid Rs.42,000 as rent. Compute the house rent allowance exempt from tax.
- 26 Mr. X is the owner of a house at Agra, particulars in respect of which for the year ended 31st March, 2013 are as follows :
 - (a) Municipal value - Rs. 44,000
 - (b) Fair rent - Rs. 48,000
 - (c) Standard rent - Rs. 36,000
 - (d) Actual rent - Rs. 37,200
 - (e) Municipal tax paid - Rs. 8,800
 - (f) Ground rent payable - Rs. 60

Compute Mr. X's income from House Property for the AY 2013 -14.

27 Compute depreciation and WDV on 1.4.2013 for the following details :

WDV of factory building on 1.4.2012	-	Rs. 2,40,0000
New buildings added on 31.7.2012	-	Rs. 3,30,000
Amount realized on building demolished	-	Rs. 54,000
Rate of depreciation	-	10%

28 The Gross Total Income of Mr. Ram is Rs. 2,40,000. The following payments were made by him during the PY :

- Medical insurance premium on the health of spouse Rs.5000 ;
- Rs. 15000 to National Children Fund ;
- Rs. 20,000 to a recognized charitable trust ;
- Rs. 30,000 contributed to PPF ;
- Donation to Government for family planning Rs. 20,000. Compute his total income.

(5 × 2 = 10 weightage)

IV. Essay questions. Answer *two* questions from three :

29 What is set off and its types ? State the provisions relating to set off.

30 Compute the taxable salary of Mr. Arun (an employee of a company) for the AY 2013-14 from the following particulars :—

Basic salary	-	Rs. 15,000 p.m,
Dearness Allowance	-	Rs. 5,500 p.m,
Entertainment allowance	-	Rs. 1,500 p.m.
Employer's contribution to RPF	-	Rs. 7,400,
His own contribution was	-	Rs. 7,400,
City compensatory allowance	-	Rs. 1,200 p.m.

He has been provided with a large car for both official and personal purpose. Employer bears all expenses of the car He is provided an unfurnished house by employer in a city (population 12 lakh), the fair rental value of which is Rs.30,000 p.a. Employer charges Rs.500, from him per month as rent.

31 Mr. Y has two houses. First house's annual municipal valuation is Rs. 40,500. which is kept by him for his own residence and second, whose municipal valuation is Rs.45,000 has been let out at Rs.6,000 p.m. Following are the expenses relating to these two houses :

House I : Municipal tax → Rs.5,000 and interest on loan taken for reconstruction of the house → Rs.29,000.

House II : Municipal tax → Rs.8,000, and interest on loan taken for reconstruction of the house → Rs.2,100.

Compute Mr. Y's income from house property for the AY 2013-14.

(2 × 4 = 8 weightage)