

SIXTH SEMESTER B.B.A. DEGREE EXAMINATION, MARCH 2017

(CUCBCSS—UG)

B.B.A. VI B 14—INCOME TAX

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)*Answer all ten questions.**Choose the correct answer.*

1. Income tax is shared among Centre and States, based on the recommendations of :
 - (a) Finance ministry.
 - (b) Finance commission.
 - (c) Planning commission.
 - (d) Income Tax authorities.
2. Telephone provided by an employer to an employee at his residence is :
 - (a) Taxable.
 - (b) Partly taxable.
 - (c) Not taxable.
 - (d) None of these.
3. The annual value of a self occupied house will be :
 - (a) Municipal valuation.
 - (b) Fair rental value.
 - (c) Nil.
 - (d) Gross annual value.
4. Profit on sale of jewellery used for personal requirements is :
 - (a) Taxable as income from business.
 - (b) Taxable as capital gains.
 - (c) Non taxable.
 - (d) None of these.
5. Income from non agricultural land is assessable under the head :
 - (a) Business income.
 - (b) Not taxable.
 - (c) Income from other sources.
 - (d) None of these.

Fill in the blanks :

6. Income tax rules was passed in the year _____.
7. Salary has been defined under section _____ of the Income Tax Act.
8. The charging section of income from house property is _____.
9. Profits on transfer of capital assets are assessed under the head _____.
10. Gift received by an assessee is taxable under the head _____.

(10 × 1 = 10 marks)

Turn over

Part II (Short Answer Questions)

Answer any **eight** out of the ten questions in two or three sentences.

11. Who is an Assessee ?
12. What do you mean by assessment year ?
13. What is standard rent ?
14. What is block of assets ?
15. What is unabsorbed depreciation ?
16. What is a capital asset ?
17. What are bond washing transactions ?
18. What is converted property ?
19. What are direct taxes ?
20. What is called total income ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any **six** out of the eight questions in about 200 words.

21. Mr. X, a non-Indian citizen comes to India, for the first time on 5th May 2015 and thereafter, on November 1st 2015 he leaves India for Japan on a business trip. He comes back on 15th February, 2016. Determine his residential status for the Assessment year 2016-17.
22. What are the matters relevant to determine the capital or revenue nature of a particular receipt ?
23. What are the major objectives of taxation ?
24. Who is a "person" under income tax Act ?
25. From the following particulars relating to a let out property, Compute Annual value :

	Rs.
Municipal value ...	40,000
Fair rent ...	37,000
Actual rent ...	36,000
Standard rent ...	35,000
Municipal Tax paid ...	5,000

26. Mr. Z got 500 convertible debentures of X Ltd. @ Rs.100 per debenture at the time of allotment on November 1990. As per terms, X Ltd. converts these 500 debentures into equity shares of Rs.150 each on August 10, 2014. Mr. Z sells these 500 shares @ Rs. 175 per share on July 10, 2015. Find out the amount of capital gains chargeable to tax for the assessment year 2016-17.

27. Mr.X furnishes the return of income for the financial year 2015-2016. His total income (Non agricultural) is Rs. 12, 10,000 and net agricultural income is 1,90,000. Compute the amount of tax payable by Mr.X for the assessment year 2016-2017.
28. What are the differences between direct tax and indirect tax ?

(6 × 4 = 24 marks)

Part IV (Essay Questions)

Answer any two out of the three questions in about 800 words.

29. What are allowances ? Explain the allowances which are fully taxable.
30. Mr. X constructed a house property on 1-06-2014. It was let out from October 1, 2014 on a monthly rent of Rs. 2,000. He owns another house (which was let out to a company earlier up to 31-03-2006) which is selfoccupied for his residential purposes. On June 30, 2015 he received arrears of rent from the public company relating to previous years, which amounted to Rs. 24,000. (It was not taxed earlier). A municipal tax paid in respect of let out house is Rs. 2,000 and self occupied house is Rs. 6,000. Determine income from house property for the Assessment year 2016-17.
31. Mr. Mohan is employed as a sales manager in a private company at Mumbai. He submits the following particulars in respect of his salary for the previous year. Compute his income from salary :
- (a) Basic salary Rs. 15,000 per month.
 - (b) D.A Rs. 5,000 per month (not forming part of salary).
 - (c) CCA Rs. 500 per month.
 - (d) Bonus Rs. 5,000 per annum.
 - (e) Company provides him a rent free house for which company pays rent Rs. 30,000 per annum.
 - (f) He and the company each contribute 15% of his basic pay to Recognised Provident Fund.
 - (g) During the year he paid Employment tax of Rs. 1,500.

(2 × 15 = 30 marks)