

D 40022

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Name.....

Reg. No.....

SIXTH SEMESTER B.B.A. DEGREE EXAMINATION, MARCH/APRIL 2018

(CUCBCSS—UG)

BBA VIB 14—INCOME TAX

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

Answer all ten questions.

Choose the correct answer :

1. \_\_\_\_\_ is / are empowered to levy and collect income tax.
  - (a) State governments.
  - (b) Central Government.
  - (c) RBI.
  - (d) Local self government department.
2. CBDT is controlled by \_\_\_\_\_.
  - (a) Central Government.
  - (b) State Government.
  - (c) Both (a) and (b).
  - (d) None of the above.
3. Who is the assessee in case of an HUF ?
  - (a) Father.
  - (b) Spouse.
  - (c) Karta.
  - (d) Deemed Karta.
4. Section 10 of Income Tax Act deals with.....
  - (a) Deductions.
  - (b) Exempted incomes.
  - (c) Income from salary.
  - (d) Casual incomes.
5. The number allotted by income tax authorities to assesseees for identification and which should be quoted in all documents and correspondence is \_\_\_\_\_.
  - (a) I. D. No.
  - (b) Register No.
  - (c) Permanent Account Number (PAN).
  - (d) Licence No.

Turn over

Fill in the blanks :

6. Income Tax Act came into force on \_\_\_\_\_.
7. The rent fixed by local authorities for a building for levying local taxes is called \_\_\_\_\_.
8. Donation is deductible u/s \_\_\_\_\_.
9. Rate of depreciation on buildings used for residential purpose is \_\_\_\_\_.
10. As per the first basic condition to determine residential status, a person should have been in India during the previous year concerned for \_\_\_\_\_.

(10 × 1 = 10 marks)

### Part II (Short Answer Questions)

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

11. What do you mean by previous year ?
12. Who is an Assessee ?
13. What is standard rental value ?
14. What is unabsorbed depreciation ?
15. What is a capital asset ?
16. What is surcharge ?
17. What are prerequisites ?
18. What is municipal rental value ?
19. Who is deemed assessee ?
20. What do you understand by residential status ?

(8 × 2 = 16 marks)

### Part III (Short Essay Questions)

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

21. What is agricultural income ?
22. What is gross total income ?

23. Compute tax liability of Miss. Remya Raju, a school teacher for the assessment year 2017-2018 from the following details :

(a) Income from salary	Rs. 3,15,000
(b) Income from house property	Rs. 1,35,000
(c) Income from other sources	Rs. 1,50,000
(d) Short term capital gain	Rs. 2,50,000

All the above incomes are after computation.

24. Compute tax liability from the incomes given below:

Non-agricultural income	Rs. 2, 52,000
Agricultural income	Rs. 89,400

25. What are the incomes included in the term salary ?
26. Mr. B was an employee of M/s. Geojit. After 42 years of service he retired on 28-02-2017. He was drawing an average monthly salary of Rs. 6,000 from 1-1-2013. On retirement he received a gratuity of Rs. 1, 26,000. Determine the taxable amount of gratuity.
27. What are the types of rental value ?
28. Calculate annual rental value from the following details :
- |                        |                     |
|------------------------|---------------------|
| Municipal rental value | Rs. 50,000          |
| Fair rental value      | Rs. 60,000          |
| Actual rent            | Rs. 8,000 per month |
| Standard rental value  | Rs. 70,000          |

During the year assessee could not realise rent for 3 months.

(6 × 4 = 24 marks)

#### Part IV (Essay Questions)

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

29. Miss. A has a property whose valuation is Rs. 1,30,000 per annum. The fair rent is Rs. 1,10,000 and standard rent fixed under Rent Control Act is Rs. 1,20,000 per annum. The house was let out for a rent of Rs. 11,000 per month. The unrealised rent was Rs. 11,000 and all conditions were satisfied. She paid municipal taxes at 10% of municipal valuation. Interest on borrowed capital was Rs. 40,000. Compute income from house property of Miss. A.
30. What are allowances ? Explain the allowances which are fully taxable.

31. Mr. A presents the following Profit and Loss Account for the year ended 31-03-2017 :

Particulars	Rs.	Particulars	Rs.
To General expenses	12,000	By Gross profit	4,15,500
To Bad debts	20,000	By Commission	9,000
To Advance tax	11,000	By Brokerage	40,000
To Insurance	750	By Bad debts recovered	15,000
To Salary to staff	30,000	By Interest on debentures	28,000
To Salary to Mr. A	22,000	(Include TDS Rs. 3,000)	
To Interest on overdraft	2,000		
To Interest on loan to Mrs. A	42,000		
To Interest on capital	23,000		
To Advertisement	9,000		
To Depreciation	35,000		
To Net profit	3,00,750		
	5,07,500		5,07,500

**Additional Information**

- Depreciation allowable is Rs. 40,000.
- Income of Rs. 10,000 accrued during the year, has not been recorded in Profit and Loss Account.
- Mr. A pays Rs. 8,000 as life insurance premium on own life insurance.
- Bad debts recovered pertain to the previous year 2011-12 which was allowed in that year.

Compute income from business for the assessment year 2017-18.

(2 × 15 = 30 marks)