

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

**BBA (2013 to 2017)/B.Sc Business Economics (BBE)(2015 to 2017)  
(Sem.-4)**

**INCOME TAX ACT**

**Subject Code : BBA/BBE-405**

**M.Code : 71207**

**Time : 3 Hrs.**

**Max. Marks : 60**

**INSTRUCTION TO CANDIDATES :**

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** consists of **FOUR** Sub-sections : **Units-I, II, III & IV.**
3. Each Sub-section contains **TWO** questions carrying **TEN** marks each.
4. Student has to attempt any **ONE** question from each Sub-section.

**SECTION-A**

1. **Write short notes the followings :**

- a) Assesee in-default
- b) Casual income
- c) Profit in lieu of salary
- d) Fair Rental Value
- e) Preliminary Expenses
- f) Slump Sale
- g) Bond Washing transaction
- h) 80U
- i) Belated Return
- j) TDS

## SECTION-B

### UNIT-I

2. How will you determine the residential status of an individual person?
3. Discuss any 20 incomes which are exempted from tax.

### UNIT-II

4. Mr. Gaurav furnishes the following details of his salary income :

|  |          |
|--|----------|
| Salary   | 1,50,000 |
| Encashment of earned leave   | 10,000   |
| Uniform allowance  | 8,000    |
| Actual expenditure   | 10,000   |
| Research allowance   | 3,000    |
| Actual expenditure   | 3,500    |
| Scholarship granted to his son by the university   | 4,800    |
| Education allowance for his grand daughter   | 3,000    |
| Education allowance for his son studying outside India   | 3,000    |
| Loan at concessional rate to buy a car @ 8.75% p.a.<br>SBI rate is 11.25% p.a.<br>date of loan is 1.4.2017 | 1,80,000 |
| Helper allowance   | 10,000   |
| Actual expenditure   | 9,000    |
| Professional tax paid by the employer  | 1,000    |
| Refreshment during office hours at an estimated cost of 200 p.m.   | 2,400    |
| Employer paid his club bills   | 3,000    |
| Employer contribution to R.P.F. is 14% of salary   |          |
| H.R.A. received by him is 1600 p.m. and rent paid by him 2000 p.m.   |          |

Compute his taxable income under the head salary for the assessment year 2018-19.

5. Define annual value and state the deductions that are allowed from net annual value while calculating income from House property.

### UNIT-III

6. From the following P&L Account, calculate income from business of Mr. Dhoni.

| Particulars  | Rs.             | Particulars   | Rs.             |
|--|-----------------|---|-----------------|
| To general expenses  | 20,000          | By Gross Profit                                       | 5,00,000        |
| To bad debts   | 25,000          | By sundry receipts                                    | 50,000          |
| To advance income tax                                      | 24,000          | By bad debts recovered (earlier allowed as deduction) | 12,500          |
| To salary to staff   | 40,000          | By interest on debentures(gross)                      | 40,000          |
| To drawings  | 40,000          | By interest on deposit with a company(gross)          | 25,000          |
| To interest on own capital                                 | 24,000          |   |                 |
| To advertisement expenses                                  | 9,000           |   |                 |
| To excise duty   | 12,000          |   |                 |
| To expenditure on acquisition of patent right (in 2017-18) | 10,000          |   |                 |
| To Net Profit  | 4,23,500        |   |                 |
|  | <b>6,27,500</b> |   | <b>6,27,500</b> |

#### Other Information :

- General expenses includes Rs. 2,300 spend as marriage expenses by the proprietor.
  - Advertisement expenses were spent on 31<sup>st</sup> August 2017.
  - Income of Rs. 12,000 accrued during the PY 2017-18 is not recorded in the P&L Account.
  - An expenditure of Rs. 1,000 relating to business is not shown in P&L Account.
  - The proprietor owns two houses from which he gets the income of 1,80,000.
7. What are the provisions for set off losses and carry forward of losses?

### UNIT-IV

- What are the charitable donations? Explain the provisions in respect of donation under section 80G.
- What are the various authorities under income tax act for administration of Tax? Explain their powers.

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**