

Roll No.

Total No. of Pages : 02

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-405/BBE-405

Paper ID : [A2375]

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**

**Q1 Write short notes the followings :**

- a) Capital receipts vs. revenue receipts.
- b) Residential status of a company.
- c) Place of accrual of salary income.
- d) Repair allowance.
- e) Income from house property in a foreign country.
- f) Special provisions when unrealized rent is realized subsequently.
- g) Family planning expenditure.
- h) Interest on securities.
- i) Carry forward of loss.
- j) Tax authorities.

**SECTION-B**

**UNIT-I**

**Q2** What are the classes of income to which the income-tax Act, 1961 does not apply.

**Q3** Define annual value. State the deductions that are allowed from the annual value in computing the income from house property.

### UNIT-II

- Q4 X employed (since 2007) by the central government (or any other employer). During the previous year 2014-15, he gets Rs. 30,000 per month as salary and Rs. 10,000 per month as dearness allowance (60 per cent is considered for retirement benefits). Employer annually contributes Rs. 45,000 towards NPS. X, however, annually contributes Rs. 55,000. Income from other sources of X is Rs. 9,00,000. X deposits every year Rs. 70,000 in public provident fund, which is deductible under section 80C. Further, X is eligible for a deduction of Rs. 25,000 under section 80CCC. Find out the net income of X for the assessment year 2015-16.
- Q5 Define as per section 17 of the Income-tax Act, 1961, (a) Salaries, (b) Perquisites, and (c) Profit in lieu of Salary.

### UNIT-III

- Q6 Write a detailed note on provisions under the Income Tax Act, 1961 for the set off of losses and carry forward of losses.
- Q7 X Ltd., a company which provides telecom services, acquires a telecom license on April 5, 2013 for a period of 15 years which ends on March 31, 2028 (license fees being Rs. 15 lakh paid on May 6, 2013). The license is transferred by X Ltd. on December 20, 2015 for (a) Rs. 6,92,000, (b) Rs. 13,70,000 or (c) Rs. 15,60,000. Compute the amount chargeable to tax.

### UNIT-IV

- Q8 Explain clearly the deductions that are expressly allowed in computing the income from business under the Indian-tax Act, 1961.
- Q9 X, Y and Z are persons (aged 32 years) of Indian origin, though their residential status is non-resident. During the previous year relevant for the assessment year 2015-16, their income from investment in India is as follows:

	X Rs.	Y Rs.	Z Rs.
a. Interest on deposits with public limited companies received on March 31, 2015	30,000	60,000	2,80,000
b. Interest on Government securities received on December 31, 2014	1,95,000	2,40,000	2,40,000
c. Interest on deposits with private limited companies on September 30, 2014	-	2,30,000	7,25,000
Tax deducted at source, i.e., @ 20.6 per cent in respect of foreign exchange assets (a) and (b); and @ 30.9 per cent in respect of (c)	46,350	1,32,870	3,31,145

Determine the amount of tax liability/refund for the assessment year 2015-16. Also discuss whether the assessee should opt under section 115-1, i.e., not to be governed by provisions of sections 115C to 115-1.