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DCBB-502

V Semester B.B.A. Degree Examination, December/January - 2025/26
(NEP 2020 Scheme)(Freshers & Repeaters)
BUSINESS ADMINISTRATION
Income Tax - I
Paper - 5.2

Time : 2½ Hours **Maximum Marks : 60**

Instructions:

Answers to be written in English only.

SECTION - A

Answer any Five sub-questions. Each question carries 2 marks. (5×2=10)

1. a) What is gross total income?

   b) Mention the types of Provident Fund.

   c) Give the meaning of unrealised rent.

   d) Who is a resident?

   e) What do you mean by Gratuity?

   f) Who is Deemed Assessee?

   g) Expand TRO and PAN.

SECTION - B

Answer any Three questions. Each question carries 4 marks. (3×4=12)

2. Mr. Raju went to London for a project on 1st October 2023 and returned to India on 1st January 2024. Determine his residential status for the Assessment Year 2025-26.

3. State whether the following are agricultural or non-agricultural income:
   a) Income from supply of water for agricultural purposes.
   b) Profit on sale of agricultural land in London.
   c) Income from dairy products.
   d) Income from sale of plants in a nursery.

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4. Compute the amount of Net Annual Value of Mr. Mahendra from the following information:

   a) Municipal rental value - Rs. 50,000

   b) Fair rental value - Rs. 90,000

   c) Actual Rent - Rs. 8,000 per month

   d) Standard rental value - Rs. 60,000

   e) Municipal tax paid by: Mr. Mahendra(owner) - Rs. 10,000

      His tenant - Rs. 10,000

5. Mr. Virat (resident) working in Wipro Ltd., Bengaluru. He is getting a basic pay of Rs. 8,000 per month, Dearness Pay at 20% of basic pay, commission Rs. 4,800 (calculated as a percentage of turnover achieved by him), HRA Rs. 11,520 per annum. He is residing in a rented house for which he pays a rent of Rs. 1,800 per month. Determine the exempted amount of HRA for the A.Y. 2025-26.

6. What is PAN? Explain the procedure to obtain PAN.

SECTION - C

Answer any Three questions. Each question carries 10 marks. (3×10=30)

7. Mr. Uday a sales Manager at ABC Ltd., Kolkata has furnished the following details of his income for the year ended 31-03-2025, you are required to compute his taxable income from salary for the A.Y. 2025-26.

   a) Basic salary Rs. 20,000 p.m.

   b) Dearness allowance Rs. 6,000 p.m (forming part of salary).

   c) Entertainment allowance Rs. 2,500 p.m. (amount spent Rs. 12,000).

   d) Children hostel allowance for his three children Rs. 400 p.m per child.

   e) He is provided with rent free furnished accommodation owned by the company, cost of furniture Rs. 1,00,000 (FRV of the house is Rs. 7,500 p.m)

   f) Medical insurance premium of Mr. Uday paid by the company Rs. 4,000 p.a.

   g) Professional tax paid for the year Rs. 2,400.

   h) His own contribution and company's contribution to RPF is 14% of salary and the interest credited to RPF at 14% was Rs. 14,000.

8. Mr. Arun is the owner of two houses in Mysore the particulars of which are given below:

Particulars	House - A (LOP)	House - B (LOP)
Municipal Value	30,000	40,000
Fair rent	36,000	30,000
Let out (Per month)	4,000	3,000
Construction completed	1-4-2022	1-6-2022
Repairs	-	5,000
Municipal Tax paid by owner	3,000	-
Municipal Tax paid by tenant	-	2,000
Municipal Tax due	-	4,000

Arun took a loan of Rs. 3,00,000 at 8.5% p.a. for construction of House 'B', date of borrowing loan is 01-07-2019. Compute taxable income from House property for the A.Y. 2025-26.

9. Mr. Kanthraj furnishes the following particulars of his income earned during the previous year 2024-25

a) Profit from business in Chennai Rs. 50,000.

b) Income from agricultural land in Russia Rs. 1,90,000.

c) Income from property in Mexico received there Rs. 2,00,000.

d) Interest on Singapore development bonds Rs. 1,50,000 (1/3 received in India).

e) Income from business in Kuwait controlled from Mumbai Rs. 85,000 (Rs. 35,000 was received in India).

f) Profit on sale of building in Bangalore received in Nepal Rs. 50,000.

g) Income from agricultural land in Pune Rs. 1,00,000.

h) Profit on sale of plant at London Rs. 50,000 (50% is received in India).

i) Gift from a friend in India Rs. 20,000.

j) Interest received from post office savings bank account 5,000. Compute his Gross Total Income for the A.Y. 2025-26, if he is:

i. Ordinary resident

ii. Not ordinarily resident

iii. Non-resident

10. Ms. Usha is an employee of State Bank of India Bangalore and she submits the following information relevant for the A.Y. 2025-26. Compute her taxable income from salary:

a) Basic salary Rs. 8,000 per month.

b) Dearness allowance Rs. 1,500 per month (does not form part of salary)

c) House Rent allowance Rs. 5,000 p.m. (Rent paid by employee Rs. 7,000 p.m.)

d) Payment of LIC Premium by SBI Rs. 4,000 p.a.

e) Services of sweeper paid by SBI Rs. 200 per month.

f) Leave Travel Concession Rs. 5,000 (First time in current Block period).

g) Reimbursement of gas, electricity and water bill by the SBI Rs. 2,500 per annum.

h) SPF contribution by the bank and own contribution of employee 14% of salary.

i) Interest credited to SPF at 14% is Rs. 14,000.

11. Mr. Kamal is owner of a house property in Chennai. The construction of the house was completed on 18th July 2023. He took a loan of Rs. 8,75,000 from Canara Bank on 1st November 2021 at 11% p.a. The loan was outstanding during the year 2024-25 to the extent of Rs. 5,00,000. From the following information calculate his income from house property for the A.Y. 2025-26:

a) Municipal value Rs. 1,44,000 p.a.

b) Fair rental value Rs. 1,80,000 p.a

c) Standard rent Rs. 1,20,000 p.a.

d) Rent received per month Rs. 18,000.

e) Municipal tax paid is 10% of M.V. (25% paid by tenant).

f) Loss due to vacancy Rs. 27,000.

g) Unrealised rent for the year 2024-25 Rs. 10,000.

SECTION - D

Answer any one of the following question. Each question carries 8 marks. **(1×8=8)**

12. a) What are perquisites? Explain the different types of perquisites.

(OR)

b) Mention any 8 incomes that are exempted u/s 10 of Income Tax Act, 1961.