

64623

**Sixth Semester B.B.A. Degree Examination,
September/October 2021**

(CBCS Scheme – Freshers and Repeaters)

Business Administration

Paper 6.3 – INCOME-TAX

Time : 3 Hours]

[Max. Marks : 70

Instructions to Candidates : Answers should be written in English only.

SECTION – A

1. Answer any **FIVE** sub-questions. Each sub-question carries **2** marks : **(5 × 2 = 10)**
- (a) What is meant by Direct Tax? Give two examples.
 - (b) Give the meaning of Gross Total Income.
 - (c) Who is “ordinarily resident individual”?
 - (d) What is a salary for the calculation of taxable amount of H.R.A?
 - (e) What do you mean by composite-rent?
 - (f) State any four expressly allowed expenses in computation of income from business.
 - (g) What is meant by capital gain?

SECTION – B

Answer any **THREE** questions. Each question carries **6** marks : **(3 × 6 = 18)**

2. Mention any six fully exempted incomes U/S 10 of the IT Act.
3. Mr. Pratham a foreign cricketer comes to India for 100 days every year since the financial year 2007-08.
Find out his Residential Status for the A/Y 2020-2021.
4. Find out the taxable and exempted amount of H.R.A of Mr. Bharath for the A/Y 2020-2021 from the following informations :
- Basic pay : Rs 30,000 p.m. Dearness allowance at 10% of the basic pay (part of the salary for retirement benefit). Commission based on fixed percentage on turnover is Rs. 10,000 for the whole year. H.R.A received is Rs. 10,000 p.m. Actual rent paid by him Rs. 9,000 p.m. the house is situated in Mangalore.

5. Calculate the Gross annual value of Mr. Ram (Resident) from the particulars given below :

Municipal rental value :	Rs. 90,000
Fair rental value :	Rs. 88,000
Standard rent :	Rs. 70,000
Annual rent :	Rs. 96,000

During the previous year 2019-20 the assessee could not realize rent for 3 months.

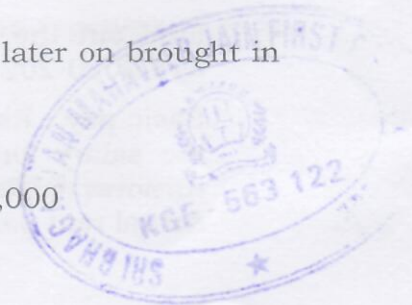
6. Mr. Krishna a resident submits the following particulars of income and expenditure for the previous year 2019-20. Compute his total income for the A/Y 20-21 :

(a) Gross total income :	Rs. 9,00,000
(b) Contribution to P.P.F :	Rs. 80,000
(c) Contribution to annuity plan of L.I.C :	Rs. 15,000
(d) Contribution to P.M.N.R.F :	Rs. 10,000
(e) Contribution to charitable hospital :	Rs. 10,000
(f) Paid medical insurance premium :	Rs. 15,000

SECTION - C

Answer any **THREE** questions. Each question carries **14** marks : (3 × 14 = 42)

7. What is meant by perquisites? Explain in brief any six perquisites each, which are taxable in the hands of all employees and in the hands of specified employees?
8. Following are the incomes of Mr. Bharath for the previous year ended 31.03.2020 :
- | | |
|--|------------|
| (a) Profits from business in India and controlled from London | Rs. 20,000 |
| (b) Profit on sale of machinery in Bangalore but received in Bangladesh | Rs. 10,000 |
| (c) Profit from business in Africa, the business being controlled from India [1/3 rd received in India] | Rs. 45,000 |
| (d) Income from house property in Afghanistan | Rs. 24,000 |
| (e) Agricultural Income in Pakistan was received there but later on brought in to India | Rs. 16,000 |
| (f) Income accrued in India but received in Italy | R. 6,000 |
| (g) Share of profits from partnership firm in Mumbai | Rs. 25,000 |



- (h) Interest on F/D in SBI Rs. 10,000
 (i) Past untaxed foreign income brought in to India during the previous year Rs. 5,000.

Compute the total income of Mr. Bharath for the Assessment Year 2020-2021. If he is

- (i) Resident (ii) Not ordinarily resident
 (iii) Non-resident.

9. Mr. Santhosh is an officer in a company in Bangalore. He gives you the following particulars :

- (a) Basic salary : Rs. 12,500 p.m.
 (b) Dearness allowance : 30% of the basic pay (part of salary).
 (c) Children hostel allowance : Rs. 500 p.m. per child for 2 children.
 (d) Tax on employment paid by him Rs. 250 p.m.
 (e) Services of sweeper, watchman and cook were provided by the employer on a monthly salary of Rs. 750, Rs. 950 and Rs. 1,050 respectively.
 (f) The company provided a large car with a driver, all the expenses including drivers salary were met by the company. The car is used for both official and personal purpose.
 (g) The company during the year 2019-20 send him for a Refresher course training in Hong Kong and the cost of travel, stay expenses of Rs. 1,00,000 were met by the Co.
 (h) He is also provided with a Rent free accommodation. The fair rental value is Rs. 10,000 p.m. Rental charges paid by the company for the use of furniture amounts to Rs. 9,800.
 (i) He contributes 14% of salary to R.P.F maintained by the company. The Co. makes a matching contribution.
 (j) The interest predicted to R.P.F a/c during the previous year is Rs. 6,875 at 12.5% p.a.

Compute his taxable salary for the A/Y 2020-2021.

10. Mr. Shekhar is the owner of 3 house properties in Bangalore and let out all the houses throughout the year.

Particulars	House A	House B	House C
Fair rent	1,80,000	1,50,000	1,20,000
Municipal valuation	1,50,000	2,00,000	1,00,000
Actual rent (per month) :	Rs. 20,000	15,000	25,000
Use by tenant :	Residential	Office	Residential
Repairs charges :	10,000	—	40,000
Collection charges :	10,000	5,000	5,000

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 (i) Past untaxed foreign income brought in to India during the previous year Rs. 5,000.

Compute the total income of Mr. Bharath for the Assessment Year 2020-2021. If he is

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