

Roll No.

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Total No. of Pages : 03

Total No. of Questions : 09

BBA (2012 & Onwards Batches) (Sem.-4)

INCOME TAX ACT

Subject Code : BBA-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 briefly :

- a. Define Person.
- b. Exemption u/s 54.
- c. Explain the treatment of Recognised Provident Fund.
- d. Deduction u/s 80 DD.
- e. Explain Unabsorbed Depreciation.
- f. Explain treatment of House Rent Allowance.
- g. Treatment of Minor's Income.
- h. Integration Scheme for Agricultural Income.
- i. Treatment of dividend under other sources.
- j. What is PAN?

SECTION - B

UNIT-I

Q2) Define agricultural income as defined under section 2(1A) of Income Tax Act, 1961. What is partly agricultural and partly non agricultural income?

Q3) Mr. Anand furnishes the following particulars of his income earned during the previous year relevant to the assessment year 2013-14 :

1. Interest on German Development Bonds (one third is received in India)	51,000
2. Income from agriculture in Bangladesh remitted to India	31,000
3. Income from property in Canada received in U.S.A	1,10,000
4. Income earned from business in Kuwait, business being controlled from Mumbai (Rs 25000 is received in India)	65,000
5. Dividend from an Indian company	15,000
6. Royalty received in Singapore from Mr. David, a resident in India, for technical service provided for a business carried on in Singapore	25,000
7. Profit from a business in Chennai; this business is controlled from Singapore	1,25,000
8. Profit on sale of a building in India but received in Mumbai	30,000
9. Income from agriculture in Punjab received in Mumbai	40,000
10. Profit from business in Indonesia; this business is controlled from Delhi (60% of the profit deposited in a bank there and 40% is remitted to India)	40,000
11. Interest received from Mr. Dayal, a non resident, on the loan Provided to him for a business in India	28,000

Compute his total income if he is :

- i) Resident
- ii) Not Ordinarily Resident
- iii) Non Resident

UNIT-II

Q4. What do you mean by perquisites? Explain the perquisites which are exempt to the employees.

Q5. Mr. B owns a house property at Cochin. It consists of 3 independent units and information about the property is given below :

UNIT 1 : Own Residence, UNIT 2: Let out, UNIT 3: Own Business

MRV	1,20,000 p.a.
FRV	1,32,000 p.a.
Standard Rent	1,08,000 p.a.
Actual rent	3,500 p.m.
Unrealised Rent	for three months
Repairs	10,000 p.a.
Insurance	2,000 p.a.
Interest on money borrowed for construction of property	96,000 p.a.
Municipal taxes	14,400 p.a.
Date of completion	1-11 -2007

Compute the income from house property for Mr. B.

UNIT-III

Q6. Under What circumstances income of other persons can be included in the income of assessee under Income Tax Act, 1961?

Q7. From the following particulars compute the business income of Mr. S. Ranganathan.

To Salaries	90,000	By Gross Profit	3,50,000
To Rent and Taxes	20,000	By Dividend	4,000
To Services Charges	4,000	By Bad Debt Recovered	
		(Allowed Earlier)	4,400
To Legal Expenses	5,000	By Interest from Post Office	
		Saving Bank	1,200
To Reserve for Income Tax	6,000		
To Depreciation	12,000		
To Patents Rights	56,000		
To Office Expenses	42,000		
To Contribution to R.P.F	12,000		
To Bad Debts	4,500		
To Donation to N.D.F	2,500		
To Net Profit	1,05,600		
TOTAL	3,59,600	TOTAL	3,59,600

Notes :

1. Legal expenses include Rs 2,000 incurred by assessee for defending a case for damages for breach of contract which was decided in favour of assessee.
2. Depreciation of the year on assets other than patent rights is Rs 16,900
3. Contribution to RPF due on 31 -3-2013 is Rs 2,000.

UNIT-IV

Q8) What are the authorities provided by the income tax act for the administration of tax? Discuss briefly the powers of income tax officer.

Q9) Explain the deductions under section 80 for certain payments.