Roll No. | | | | | | | | | | | | **Total No. of Pages : 03**

Total No. of Questions : 09

BBA (2012 & Onwards Batches)
B.Sc. Business Economics (BBE) (2015 Onwards)

(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

1) Write short notes on the following :

1. Define the term assessee.
2. Explain the tax treatment of entertainment allowance.
3. Explain the treatment of expenditure of scientific research under section 35.
4. Define capital asset under section.
5. Explain the treatment of casual incomes.
6. Explain the tax treatment of minor.
7. Residential status of H.U.F.
8. Explain deduction under section 80GG.
9. Explain integration scheme.
10. Explain powers of income tax officer.

SECTION-B

UNIT-I

2) Explain any 15 exempted incomes under section 10 of Income Tax Act.

3) The incidence of income tax depends upon the residential status of an assessee. Discuss fully.

UNIT-II

4) Mr. A an employee working in D Ltd (Mumbai) has presented the following particulars of his salary. Calculate his salary income.

   1. Basic salary Rs 20,000 p.m [due on the last day of the month.
   2. D.A 80% of salary (50% of D.A forms part of salary).
   3. Bonus - basic salary of one month.
   4. Commission - Rs 66,000.
   5. Leave encashment (relating to current year) Rs 20,000
   6. He has engaged a helper at Rs 1,200 p.m and his employer pays him Rs 1,500 p.m on this account.
   7. Medical bills for Rs 60,000 were re-imbursed in the following manner :
      (a) of a notified hospital Rs 22,000 (for notified disease).
      (b) of a private hospital Rs 53,000
   8. Mobile telephone bill of employer's wife paid by employer Rs 15,000.
   9. His employment tax paid by employer Rs 2,500.
   10. He and his employer contribute Rs 3,200 p.m each towards RPF.
   11. Interest credited on the accumulated balance of RPF @ 10% is Rs 20,000.
   12. He received Rs 20,000 as leave travel concession but has not travelled anywhere.
   13. He has been provided with free use of car of 1.8 ltr C.C. car is used partly for personal and partly for employment purposes.
   14. He has been provided rent free house owned by employer (FRV of house 8,000 p.m) alongwith facility of gardener costing employer Rs 6,000 p.a. Furniture costing Rs 1,00,000 (WDV 75,000) has also been provided for his use by the employer.
   15. His personal club bills pain by employer Rs 25,000 p.a.
   16. LIC premium on his life paid by the employer Rs 5,000.

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

UNIT-III

6) Mr. A who is resident of India furnished the following particulars of his investments for the previous year ended 31st march 2013.

1. Rs 10000 units of mutual fund (Gross income Rs 12100).
2. Rs 10000 in post office savings bank account which earns interest @3.5% per annum.
3. Rs 45000 in fixed deposits account with Allahabad bank on which interest @ 9% is payable.
4. 12% Rs 40000 debentures (Listed) of tea company.
5. Rs 2000 interest received on national development bonds.
6. Rs 1000 interest received on debentures of a co-operative society.
7. 10% U.P state electricity board bonds Rs 20000.
8. Rs 10000 in 7 years post office national savings certificates interest @ 7% per annum is payable on the same every year.
9. Rs 36000, 10% tax free debentures of agra municipal corporation. Interest being payable on 31st December.
10. Rs 900 received by an account payee cheque as interest on debentures (listed) of a company in which public are substantially interested. He collected the entire interest himself and claimed Rs 200 as collection charges for himself.
11. Interest on post office national savings certificates Rs 5000.

Calculate the taxable income under the head other sources.

7) What is capital gain? What are the kinds of capital gains and what is the procedure of computation of capital gain?

UNIT-IV

8) What do you understand by best judgment assessment? Under what circumstances is it made by the assessing officer?

9) What are the powers of the commissioner of income tax in regard to search and seizure under section 132 of income tax act?