

D 50496

(Pages : 3)

Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.B.A.

BBA 5B 10—FINANCE ELECTIVE I—INCOME TAX

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. What do you mean by previous year ?
2. What is gross total income ?
3. Who is an Assessee ?
4. What do you mean by long term capital gains.
5. Define Annual Value.
6. Who is an assessee in default ?
7. What is capital asset ?
8. Define Perquisites.
9. Define block of assets.
10. What do you mean by standard rent ?
11. Who is a Person ?
12. What are the five heads of income ?
13. What do you mean by Fair Rental Value ?
14. How is short term capital gain is computed ?
15. What do you mean by casual income ?

(15 × 2 = 30, Maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.*

16. Explain the tax treatment of Rent Free Accommodation (Government Employees and Other Employees)
17. What are called fully taxable allowances under the head salaries ? Explain.
18. Mr. Philip resides in Kanpur. He gets a basic salary of Rs. 2,00,000 and dearness pay Rs. 2,00,000 and house rent allowance of Rs. 1,50,000 per annum. He pays a rent of Rs. 1,80,000 per annum. Determine the amount of HRA chargeable to tax.
19. Mr. Ram retires from a company on 4th January, 2023 after serving 16 years. At the time of retirement his basic salary was Rs. 88,000 per month and he was also entitled to dearness allowance of Rs. 16,000 per month. On the retirement, he received Rs. 1,20,000 as gratuity. He is covered under the Payment of Gratuity Act. Compute the taxable amount of gratuity.
20. Determine the Net Annual Value in the following cases :

| <i>Particulars</i> | A | B | C |
|---------------------|----------|----------|-----------|
| | (Rs.) | (Rs.) | (Rs.) |
| Municipal Valuation | 1,00,000 | 80,000 | 1,20,000 |
| Fair Rent | 1,20,000 | 60,000 | 1,10,000 |
| Standard Rent | 1,25,000 | 1,00,000 | Not Fixed |
| Actual Rent | 1,00,000 | 1,00,000 | 1,00,000 |
| Municipal Taxes | 15,000 | 12,000 | 7,500 |

21. Explain the deductions allowed under the head salaries.
22. Give a note on exempted allowances under the head salaries.
23. Write a note on pre-construction interest.

*(8 × 5 = 40 Marks, Maximum ceiling 35 marks)***Part C***Answer any two questions.**Each question carries 10 marks.*

24. Explain in detail how to determine the residential status of an individual ?
25. Explain any *fifteen* exempted incomes.

26. Compute taxable salary of Mr. Anand for the Assessment Year 2023-24 :

| | ₹ |
|---|----------|
| Salary | 5,00,000 |
| Dearness Allowance (not forming part of salary) | 20,000 |
| House rent allowance | 1,20,000 |
| Actual rent paid | 1,50,000 |
| Place of service | Chennai |
| CCA | 200 p.m. |
| Medical allowance | 100 p.m. |

27. Compute taxable income from house property from the following particulars :

| | ₹ |
|----------------------|--------|
| Fair market rent | 80,000 |
| Actual rent received | 72,000 |
| Municipal valuation | 50,000 |
| Standard rent | 60,000 |
| Municipal Taxes | 20 % |
| Interest paid | 18,000 |

(2 × 10 = 20 marks)

D 50496-A

(Pages : 5)

Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.B.A.

BBA 5B 10—FINANCE ELECTIVE I—INCOME TAX

(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes**Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

BBA 5B 10—FINANCE ELECTIVE I—INCOME TAX
(Multiple Choice Questions for SDE Candidates)

1. Finance Bill becomes Finance Act when it is passed by _____.
 - (A) The Lok Sabha.
 - (B) Both Lok Sabha and Rajya Sabha.
 - (C) Both Houses of parliament and given the assent of the President.
 - (D) Rajya Sabha.

2. Which one of the following is not treated as Deemed Assessee ?
 - (A) Legal representative of deceased person.
 - (B) Agent of a Non-resident.
 - (C) Trustee of a Trust.
 - (D) None of the above.

3. Which of the following is a Capital Receipt ?
 - (A) Perquisites received by a professional during the course of carrying on profession.
 - (B) Compensation received in respect of permanent disablement due to an accident.
 - (C) Compensation received in respect of temporary disablement due to an accident.
 - (D) All of the above.

4. Which of the following is a revenue Expenditure ?
 - (A) Lumpsum payment made by an employer as a gratuity to the employee.
 - (B) Legal expenses incurred by a person in defending or maintaining his right or title to the property used for business.
 - (C) Expenditure incurred for the purchase of goods for resale.
 - (D) All of the above.

5. An example of Casual Income is :

| | |
|----------------------|-----------------------------|
| (A) Interest Income. | (B) Winning from lotteries. |
| (C) Pension Income. | (D) Dividend Income. |

6. Which of the following is not included in the term Income under the Income Tax Act, 1961 ?
- (A) Reimbursement of travelling expense.
 - (B) Dividends.
 - (C) Profits in lieu of Salary.
 - (D) Profits from Business.
7. Income which accrue or arise outside India but are received directly into India are taxable in case of _____.
- (A) Resident only.
 - (B) Both Ordinarily Resident and NOR.
 - (C) Non-Resident.
 - (D) All Assessees.
8. Total Income of a person is determined on the basis of his _____.
- (A) Residential Status in India.
 - (B) Citizenship in India.
 - (C) Residential Status and Citizenship in India.
 - (D) None of the above.
9. Dividend paid by an Indian Company outside India is _____.
- (A) Taxable in India in the hands of the recipient.
 - (B) Exempt in the hands of recipient
 - (C) Taxable in the hands of the Company and exempt in the hands of the recipient.
 - (D) None of the above.
10. Which of the following statement is true for determining the residential status of person ?
- (A) Stay in India should be for a continuous period.
 - (B) Stay should be in any *one* place in India.
 - (C) Both (A) nor (B).
 - (D) Neither (A) nor (B).

Turn over

11. A Firm is said to be a Resident of India :
- (A) If control and management of its affairs is wholly inside India.
 - (B) If all the Partners are resident in India.
 - (C) If control and management of its affairs is wholly or partly inside India.
 - (D) None of the above.
12. Gratuity received during the period of service is :
- (A) Fully taxable.
 - (B) Partly taxable.
 - (C) Fully exempt.
 - (D) Depends on agreement with employer.
13. Gratuity shall be fully exempt in the case of _____.
- (A) Central and State Government Employees.
 - (B) Central and State Government Employees, Employees of Local Authorities and Employees of Statutory Corporation.
 - (C) Central and State Government Employees and Employees of Local Authorities.
 - (D) None of the above.
14. Income from vacant plot is taxable under the head _____.
- (A) Income from House Property.
 - (B) Income from Other Sources
 - (C) Profits and Gains of Business or Profession.
 - (D) Capital Gains.
15. Which of following conditions need to be satisfied in order to tax any income under the head Income from house property ?
- (A) The property must consist of building or land appurtenant thereto.
 - (B) The property must not be used for business or profession carried on by assessee.
 - (C) The assessee must be the owner of such house property.
 - (D) All of the above.

16. Unrealized Rent is a deduction from _____.
- (A) Actual Rent.
 - (B) Net Annual Value.
 - (C) Income from the head House Property.
 - (D) None of these.
17. Chartered accountant is a _____.
- (A) Profession.
 - (B) Vocation.
 - (C) Business.
 - (D) None of these.
18. Period of holding of Bonus Shares or any other financial asset allotted without any payment shall be reckoned from _____.
- (A) The date of holding of the original Shares / Financial Asset.
 - (B) The date of offer of bonus shares / financial asset.
 - (C) The date of allotment of such Bonus Shares / Financial Asset.
 - (D) None of the above.
19. Loss on account of owning and maintaining the race horses of particular assessment year can be set-off in the same assessment year from _____.
- (A) Any business income.
 - (B) Any income under the head Other Sources.
 - (C) Income from race horses.
 - (D) None of the above.
20. Short-Term Capital Loss of particular asst, year can be set-off in the same assessment year from _____.
- (A) Short-Term Capital Gain only.
 - (B) Long-Term Capital Gain only
 - (C) Short-Term or Long-Term Capital Gain only.
 - (D) Any business income.