

Reg. No. : .....

Name : .....

**V Semester B.B.A. Degree (CBCSS – OBE – Regular/Supplementary/  
Improvement) Examination, November 2024  
(2019 to 2022 Admissions)  
Core Course  
I – FINANCE  
5B13BBA : Income Tax Law and Practice**

Time : 3 Hours

Max. Marks : 40

## PART – A

Answer **all** the questions. **Each** question carries 1 mark.

1. What do you mean by Statutory Provident Fund ?
2. What is Deemed Assessee in Income Tax ?
3. What is Municipal Value ?
4. Explain the term "Casual Income".
5. What do you mean by Bond Washing Transaction ?
6. What do you mean by PAN number ? (6×1=6)

## PART – B

Answer **any 6** questions. **Each** question carries 2 marks.

7. State the various deductions allowed in computing income from house property.
8. Write short note on Partly Agricultural Income.
9. Explain the term Perquisite in Income Tax.

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10. Explain book profit in the firm.
11. Explain the term short term and long term capital gain.
12. Differentiate gross total income and total income.
13. How to find out the residential status of a company in Income Tax ?
14. Discuss fully tax free allowances in Income Tax. (6×2=12)

## PART – C

Answer **any 4** questions. **Each** question carries 3 marks.

15. Explain the various kinds of securities in Income Tax Act.
16. Compute the annual value of the house.  
Municipal value = 1,00,000  
Fair rent = 1,20,000  
Standard rent = 1,40,000  
Actual rent received = 96,000  
Municipal tax 10% of municipal value paid by the tenant.
17. Mr. Ramu had estates in rubber, tea and coffee. He derives income from them. He furnishes the following particulars of his income for the year ending 31-3-2023.  
Manufacture of rubber Rs. 5,00,000, Manufacture of coffee grown and cured Rs. 3,50,000, Manufacture of tea Rs. 7,00,000. Compute taxable income of Mr. Ramu for the A.Y. 2023 – 24.
18. Mr. Akash gets the following gifts in July 2023. State its taxability under each situation for the Assessment Year 2023 – 24.
  - i) Gift of 50,000 from his friend.
  - ii) Gift of jewellery worth 2,00,000 from his fiancée.
  - iii) Gift of 21,000 each from his two friends on his marriage.
  - iv) Gift of 68,000 from his father's brother.
  - v) Gift of 35,000 from his wife's friend on the occasion of marriage.

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19. Mr. Prakash was sponsored by his employer for some training in U.S.A. He left India on 3<sup>rd</sup> June 2022. He came back to India on 5<sup>th</sup> April 2023. Compute his residential status for the A.Y. 2023 – 24, assuming that he did not go out of India previously.
20. Compute the value of perquisite of motor car (owned by the employee). The employee used the small car partly for business and partly for personal purposes. The employee drives the car himself. The employer has spent 70,000 during the previous year on running and maintaining the car. The prescribed conditions are satisfied. (4×3=12)

## PART – D

Answer **any 2** questions. **Each** question carries 5 marks.

21. What is exempted income ? And explain any five exempted income under Income Tax.
22. Explain the annual value of house property under different situations.
23. Given below is the Profit and Loss Account of a Timber Merchant for the year ended 31<sup>st</sup> March, 2023. Compute total income for the A.Y. 2023 – 24.

**Profit and Loss Account**  
(For the year ended 31<sup>st</sup> March, 2023)

Particulars	Rs.	Particulars	Rs.
Opening stock	25,000	Sales	6,00,000
Purchases	2,50,000	Rent for property	15,000
Wages	1,00,000	Closing stock	35,000
Audit fees	1,000		
Repairs (house property)	2,000		
General charges	1,500		
Commission for raising loan	1,000		
Bad debts reserve	500		

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Bad debts	2,000		
Interest on capital	10,500		
Contribution to Staff Welfare Fund	2,500		
Provision for income tax	1,500		
Depreciation (allowable)	2,500		
Net profit	2,50,000		
<b>Total</b>	<b>6,50,000</b>	<b>Total</b>	<b>6,50,000</b>

24. Mr. Jeeva is employed in a town (having a population of 13 lakh). He draws a salary of Rs. 8,000 p.m., D.A. Rs. 2,000 p.m. (40% enters into retirement benefits), bonus Rs. 8,000 p.a., commission Rs. 4,500 p.a., Entertainment allowance Rs. 500 p.m., FRV of rent free house provided by the employer Rs. 40,000 p.a. Value of the furniture provided Rs. 20,000. Calculate this income from salary for the Assessment Year 2023 – 24. (2×5=10)