

Reg. No. :

Name :

**V Semester B.B.A. Degree (CBCSS – OBE – Regular/Supplementary/
Improvement) Examination, November 2022
(2019 Admission Onwards)**

Core Course

1 – Finance

5B13 BBA : INCOME TAX LAW AND PRACTICE

Max. Marks : 40

Time : 3 Hours

SECTION – A

Answer all questions, each question carries one mark.

1. What is a prerequisite ?
2. What is standard rent ?
3. What is standard deduction ?
4. Who is a non-resident ?
5. What are the residential statuses of an individual ?
6. What is TDS ?

(6×1=6)

SECTION – B

Answer any six questions, each question carries two marks.

7. State the ordinary resident status.
8. How payment on VRS is taxed ?
9. State any four Tax Free Perquisites.

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10. What is tax rebate ?
11. State the provision relating to interest on loan in computing income from house property.
12. What is amortization of preliminary expenses ?
13. Write a short note on Short-Term Capital Gains.
14. State the rules of clubbing of income of individuals.

(6×2=12)

SECTION – C

Answer any four questions, each question carries three marks.

15. Mr. Faisal, an Indian citizen left for USA for the first time on 15-2-2021 for business purpose. He returned to India on 1-4-2021 and again went for a European Tour on 30-4-2021. He returned to India on 5-3-2022 and remains in the country thereafter. From the business in Europe, he earned a net income Rs. 50 lakhs. Determine his residential status for the previous year 2021-22. Is Faisal liable to pay tax in India on business income earned abroad ?
16. Mr. Mohan, a resident of Calicut receives of Rs. 1,92,000 as Basic salary during the year 2021-22. In addition, he gets Rs. 19,200 per annum as DA forming part of pay. 7% commission on sale made by him (sales made by Mr. Mohan during the year was Rs. 86,000) and Rs. 24,000 per annum as HRA. He pays Rs. 21,500 per annum as rent. Compute the HRA exempt from tax.
17. Compute the gross annual value from the following particulars :
Actual rent – Rs. – 4,000 p.m.
Fair Rent – Rs. – 6,000 p.m.
Standard Rent – Rs. 5,000 p.m.
18. What is the significance of classifying assets into long term and short term ?

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19. On 1st April 2021, Mr. Michal had three machines as given below for which the applicable rate of depreciation is 15%.
Machine 1 – Rs. 4,00,000
Machine 2 – Rs. 6,00,000
Machine 3 – Rs. 8,00,000
During July 2021, he purchased a new machine for Rs. 4,80,000 in June 2021. Calculate the depreciation for the F.Y. 2021-22.
20. From the following particulars compute deduction under Section 80 C Life insurance premium paid for self – Rs. 25,000, wife – Rs. 15,000, major son – Rs. 18,000, married daughter – Rs. 16,000
Fixed Deposits in scheduled bank for 6 years
(Tax Savings) Rs. 2,00,000
Contribution to recognized PF Rs. 50,000
NSC VIII issue purchased in December, 2021 Rs. 1,00,000
Repayment of housing loan Rs. 1,50,000

(4×3=12)

SECTION – D

Answer any two questions, each question carries five marks.

21. From the details on the income of Mrs. Sree Kumar, compute the gross total income for the year 2021-22 and the amount of losses to be carried forward :

	Rs.
• Rent received from house property	36,000
• Profit from textile business	50,000
• Share of profit from a firm	20,000
• Capital gains from short-term capital assets	16,000
• Capital gains from long-term capital assets	34,000
• Long term capital loss	48,000

The following losses have been carried forward from the previous year.

	Rs.
Business loss of P.Y. 2018-19	60,000
Loss from house property – 2017-18	42,000

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22. From the following information compute the income from house property.

	Rs.
FRV of House property	72,000
Standard Rent	60,000
Actual rent	7,000 pm
Municipal tax paid	2020-21 2021-22 2022-23
Rs.	10,000 10,000 10,000

Additional information :

- 1) During the P.Y., the house remained vacant for two months.
- 2) Unrealised rent received during the P.Y. 2021-22, Rs. 20,000 (allowed in earlier).
- 3) Expenditure incurred in collecting the unrealized rent Rs. 5,000.
- 4) Arrears of rent received during the year Rs. 12,000.
- 5) Interest for loan on renovation of building Rs. 10,000.

23. Explain the general rules relating to the ascertainment of income from business.

24. Discuss the rules of set off under income Tax Act. (2×5=10)