

(i) Printed Pages: 7

Roll No.

(ii) Questions : 14 Sub. Code :

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Bachelor of Business Administration 3rd Semester

(2124)

TAX LAWS—I

Paper : BBA-206

Time Allowed : Three Hours] [Maximum Marks : 80

Note :—Attempt **FOUR** short answer type questions from Section A. Attempt **TWO** questions each from Section B and Section C.

SECTION—A

1. Write a note on Diversification and Application of Incomes.
2. Write a note on Assessee in default.
3. Compute IOS from the information given below :

Winning from Lottery Rs. 1,00,000, Amount received from Horse Race Winning Rs. 35,000, Received Rs. 20,000 as gift from his friend, Received Rs. 1,00,000 as gift from his elder brother, Received Rs. 1,40,000 as gift on his marriage, Received Rs. 80,000 as gift from his NRI friend on 1-1-24 and another gift of Rs. 18,000 received from his friend.

4. A block of assets consists of 5 machines WDV of all machines as on 1-4-2023 is Rs. 1,80,000 @ 15%. A new machine costing Rs. 1,60,000 was purchased in March, 2023 but actually put into use on 10-10-2023. Two old machines were sold for Rs. 3,20,000 in December, 2023. Calculate the amount of Depreciation for the year 2023-24.
5. Calculate Gross Salary of Kiran from the information given below :

	Rs.
Basic Salary	40,000 p.m.
DA	9,000 p.m.
CCA	2,000 p.m.
Fixed Medical Allowance	3,000
Commission on Sale	40,000
HRA received @	8,000 p.m.

and Kiran living in his own house at Chandigarh and DA does not enter into pay for retirement benefits and FRV of house is Rs. 10,000 p.m.

6. What is the residential status of an individual for the Assessment Year 2024-2025 who came to India for the first time in 2021-2022 and was in India as follows : in the year (2023-24) presence in India 185 days, (2022-23) 15 days and (2021-22) 26 days. $4 \times 5 = 20$

SECTION—B

7. The following particulars are given below, compute salary income of Mr. Imran :

Salary @ Rs. 40,000 p.m., Bonus equal Rs. 48,000, Entertainment Allowance Rs. 5,000 p.m., Free Gas and Water Supply Rs. 5,000, he is provided with the facility of big car which he use both for personal and well as official purpose. He has engaged a domestic servant @ Rs. 1,000 p.m. and his salary being paid by the employer, he is provided with a RFA in Delhi owned by the employer FRV Rs. 10,000 p.m. and population of Delhi is above 25 lakhs (2001) and above 40 lakhs (2011). He is provided with the facility of free lunch in the office during lunch break valued at Rs. 100 per day for 250 days in the previous year. The employer is maintaining a holiday home at Shimla and employee stayed there for 10 days free of cost, its cost to the employer shall be Rs. 10,000, during the year employee and his wife travelled by air to Bombay to attend a family function and air tickets worth Rs. 24,000 were purchased by him through credit card provided to him by the employer. Employer and employee both are contributing @ 14% in employee RPF.

8. Mr. Y owns a house consisting of three independent units. Unit-1 comprises 50% of the floor area and self-occupied. Unit-2 and Unit-3 comprises of 30% and 20% of the floor area respectively and are let out. Other details of the house property are as under :

FRV	Rs. 2,70,000
MRV	Rs. 3,00,000
SRV	Rs. 2,60,000

Municipal Taxes 10% of the MRV, Repair Expenses Rs. 25,000, Ground Rent Rs. 3,000, Actual Rent received Unit-2 Rs. 16,000 p.m., Unit-3 Rs. 11,000 p.m. and Unit-2 remained vacant for 2 months. The construction of the house was started in 2020 and he borrowed Rs. 10 lakhs @ 14% on 1-7-2020 for the construction of the house and construction of the house was completed on 15-7-2022. He returned loan to Rs. 2,00,000 on 31st March, 2023. Determine Mr. Y house property income for the year 2023-24.

9. Discuss any twenty Exempted Incomes under the Income Tax Act, 1961.
10. How would you determine the residential status of an Assessee with suitable examples ?

2×15=30

SECTION—C

11. Mr. R provides you the following details from his business books for the P.Y. 2023-24 :

**Computed Net Profit after charging the following
Rs. 55,000**

- (1) Provision and Reserve debited to P & L Account :

Provision for discount on Drs. Rs. 30,000

Provision for Depreciation Rs. 40,000

- (2) Household Expenses Rs. 60,000

- (3) Donation to approved school Rs. 60,000

- (4) Computers purchased for scientific research Rs. 2,00,000
(Research not related with business)

- (5) Bearer Cheque issued for purchase Rs. 20,000

- (6) OYT Deposit Rs. 10,000

- (7) Advertisement Expenses on Wooden Sign Board
Rs. 5,000

- (8) Audit Fees Rs. 6,000 paid in cash

- (9) Patent purchased during the year Rs. 70,000

- (10) Market Survey Expenses/Preliminary Expenditure
Rs. 20,000.

Income credited to P & L Account :

Bank interest on FD Rs. 70,000

Refund of Excise Duty Rs. 50,000

Interest on UTI units Rs. 30,000

Bad Debts recovered Rs. 30,000.

Opening Stock is valued at cost + 10% basis and Closing Stock is valued at cost minus 10% basis. Opening Stock Rs. 1,32,000 and Closing Stock was Rs. 1,44,000.

Compute the amount of Business Income for the year 2023-2024.

12. Mr. Z transfers the following assets during the year 2023-2024 (CII 348) :

	Jewellery	Plot	Gold
Date of Sale	15-5-2023	16-5-2023	17-5-2023
Sale Consideration	5,00,000	22,74,000	2,50,000
Exp. on Sale	—	24,000	—
Date of Purchase	2007-08	2004-05	2009-10
Cost of Purchase	1,40,000	7,00,000	80,000
FMV 1-4-2001	1,90,000	Nil	Nil
CII	129	113	148

On 1-3-2024 he purchased house for Rs. 12,00,000. Calculate the amount of Taxable Capital Gain.

13. Write notes on :

(i) Preliminary Expenditure under Section 35D.

(ii) Scientific Research under Section 35.

(iii) Distinction between Business and Profession.

14. What do you mean by income from other sources ? Enumerate the items of deductions allowed in computing income from other sources under Section 57 of the Act. $2 \times 15 = 30$