

2022

Bachelor of Business Administration

Third Semester

BBA-206: Tax Laws - I

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A and carries 5 marks each. Attempt two questions each from Section B and C respectively and carries 15 marks each.

x-x-x

Section – A

1. X is a pilot in NEPC airlines at Chennai [population above 25 lakh]. He draws Rs 80,000 p.a as salary, Rs 16,000 p.m as DA (not considered for computing retirement benefits) Rs 80,000 bonus and Rs 24,000 p.a as education allowance. He has got two children studying in the nearby school. He is also paid a flight allowance of Rs 4,000 p.m to meet his personal expenses while on duty. He has been provided with unfurnished RFA fair rental value of which is Rs 2,40,000 p.a. Determine the taxable value of the perquisite and gross salary.
2. The following particulars of plant and assets (15% block) area furnished by a limited company relating to the accounting year ending on 31-3-20221:

Written down value as on 1-4-2020	Rs 7,50,000
Additions:	
New machinery installed on 15-6-2020	Rs 1,20,000
2 nd hand machinery installed on 30-6-2020	Rs 30,000
An item costing Rs 10,000 which was in full use till 1-10-2020 was sold on this date for Rs 15,000 and WDV of this asset on 1-4-2020 was Rs 6,100	
You are requested to compute depreciation and WDV to be carried forward	
3. Mr Singh purchased a plot in 2002-03 for Rs 4,00,000. It was sold on 15-1-2021 for Rs 15,80,000 and he paid Rs 20,000 as brokerage charges. He invested Rs 2,00,000 in bond of NHAI on 31-3-2021 and Rs 3,10,000 in bonds issued by REC Ltd on 1-6-2021. Compute the taxable amount of capital gain if CII for 2002-03 was 105 and for 2020-21 is 301.
4. Calculate income from other sources from the information given below:
 - a. Winning from lottery Rs 1,00,000
 - b. Amount received from race winnings Rs 35,000.
 - c. Received gift Rs 20,000 from his friend.
 - d. Received Rs 1,00,000 as gift from his elder brother.
 - e. Received Rs 1,40,000 as gift on his marriage.
 - f. Received Rs 80,000 as gift from his NRI friend on 1-1-2021.
 - g. Another gift of Rs 18,000 received from his friend.
5. Write short note on Gratuity.
6. Explain unabsorbed depreciation.

P.T.O.

(2)

Section – B

7. Mr. K is assistant manager of a textile company of Jaipur, since 1986. He has submitted the following particulars of his income for the financial year 2020-21.

1. Basic salary Rs 46,000
2. Dearness allowance Rs 5,000 per month (Rs 200 per month enters into retirement benefits)
3. Education allowance for two children at Rs 150 per month.
4. Commission on sales 1% of turnover of Rs 10,00,0000.
5. Entertainment allowance Rs 700 per month.
6. Travelling allowance for his official tours Rs 30,000. The entire amount is spent on the official tour.
7. He was given cloth worth Rs 1,000 by his employer free of cost.
8. He resides in the flat of the company. Its market rent is Rs 2,000 per month. A watchman and a cook have been provided by the company at the bungalow who are paid Rs 400 per month each.
9. He has been provided with a motor car of 1.8 ltr engine capacity for his official as well as his personal use. The running and maintenance costs are borne by the company.
10. Employer's contribution to R.P.F is Rs 8,000 and the interest credited to this fund as 13% rate amounted to Rs 16,250.
11. Contribution by K to R.P.F is Rs 5,400.
12. Rent of house recovered from K is Rs 4,600.
13. Tax deducted at source from the above payments Rs 6,000.

Compute income from salaries for the assessment year 2021-22. Assume the population of Jaipur is 26 lakh.

8. Mr X has three house properties which he uses for his own residential purposes:

	I	II	III
MRV	40000	60000	80000
FRV	50000	70000	65000
Standard Rent	60000	84000	72000
Municipal tax	4000	6000	9000
Expenses on repairs	2000	4000	3000
Insurance premium	1000	2500	3000
Year in which loan taken for purchase of the house	1998	2002	2007
Interest on loan paid during the previous year 2020-21	35000	40000	25000
Find out income from house property as tax expert			

9. Explain any 15 exempted incomes as provided under section 10 of income tax act.
10. Define agricultural income. What is the tax treatment of agricultural income?

(3)

Section – C

11. Mr. A who is resident of India furnished the following particulars of his investments for the previous year ended 31st march 2021.
- Rs 10000 units of mutual fund (Gross income Rs 12100).
 - Rs 10000 in post office savings bank account which earns interest @3.5% per annum.
 - Rs 45000 in fixed deposits account with Allahabad bank on which interest @ 9% is payable.
 - 12% Rs 40000 debentures (Listed) of tea company.
 - Rs 2000 interest received on national development bonds.
 - Rs 1000 interest received on debentures of a co-operative society.
 - 10% U.P state electricity board bonds Rs 20000.
 - Rs 10000 in 7 years post office national savings certificates interest @7% per annum is payable on the same every year.
 - Rs 36000, 10% tax free debentures of Agra municipal corporation. Interest being payable on 31st December.
 - 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.
 - Interest on post office national savings certificates Rs 5000.

Calculate the taxable income under the head other sources.

12. Mr. G submits the following information about sale of assets during the previous year 2020-21 [CII : 301]

Assets	Residential house	Plot	Listed debentures
Date of acquisition	11-3-2002	1-7-2004	12-4-2005
CII	100	113	117
Cost of acquisition	410000	90000	200000
Date of sale	15-5-2020	17-5-2020	16-5-2020
Sale price	20,00,000	4,00,000	4,00,000
Investment	Date of acquisition	Amount invested	
Residential house	19-11-2020	16,00,000	
Bonds of REC Ltd	15-11-2020	1,20,000	

Compute the taxable capital gains.

- Explain the allowable expenses as provided under profits and gains from business and profession.
- What do you mean by capital gains? What are different types of capital gains? Explain how capital gain is computed.

x-x-x