

ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)

VI SEMESTER BBA EXAMINATIONS - APRIL 2018

INCOME TAX

Duration: 2.5 Hours

Max. Marks: 70

SECTION - A

I) Answer any TEN of the following questions. (10x3=30)

1. State the income tax rates applicable to senior citizens for the A.Y 2017-18.
2. What is Previous Year (PY) & Assessment Year (AY)?
3. Expand CBDT, TDS & PAN
4. Mention any three fully exempted allowances.
5. State the Different Heads of Income
6. What is Defacto Rent?
7. Mention any three admissible expenses while computing business income.
8. State any three exempted Incomes u/s 10.
9. Define Perquisites? State any two tax free Perquisites.
10. Mention two deductions u/s 80c.
11. What is Gratuity?
12. What is Capital Asset?

SECTION - B

II) Answer any FOUR of the following questions. (4x5=20)

13. Mention basic and additional conditions to calculate Residential status.
14. Briefly explain canons of taxation.
15. State whether the following incomes are agricultural income or non-agricultural income with reasons:
 - a) Income from growing flowers and creepers.
 - b) Dividend paid by a company to its shareholders out of its agricultural income.
 - c) Income from agricultural activities in Bangladesh.
 - d) Receipts from TV serial shooting in Agricultural Land.

e) Sale of plants from nursery.

16. Calculate Gross annual value from the following particulars for the assessment year 2017-18. Actual rent Rs. 14,000 p.m.; MRV Rs. 1,20,000 p.a.; FRV Rs. 1,32,000 p.a. Standard rent Rs. 1,38,000 p.a. During the P.Y. the assessee is not able to realize two months' rent.
17. Explain the different types of provident Funds.
18. Mr. Lourdunathan retired from service on 30/06/2016. His monthly pension was fixed Rs. 2,000. On 01/02/2017 he decided to commute 60% of pension and received Rs. 40,800 as commuted pension. Determine the taxable amount of commuted and uncommuted pension for AY 2017-18 assuming he received gratuity.

SECTION - C

III) Answer any TWO of the following questions. (2x10=20)

19. Dr. Preeti Krishna submits the following particulars: calculate her income from profession for the A.Y 2017-2018.

Particulars	Rs.	Particulars	Rs.
To Opening balance b/d	25,000	By salary to Staff	36,000
To consultation fee	75,000	By purchase of medicines	18,000
To visiting fees	62,500	By professional Books	10,000
To agricultural income	40,000	By purchase of Car	2,40,000
To interest on bank deposits	10,000	By car expenses	20,000
To gifts from patients	15,000	By computer purchased	50,000
To rent from house property	48,000	By personal expenses	45,000
To bank loan for profession	1,50,000	By income tax	15,000
To operation theatre charges	90,000	By LIC premium	10,000
To sale of medicines	32,500	By Donations	35,000
		By municipal tax on	5,000

	house	
	By interest on loan	7,500
	By closing balance	56,500
	c/d	
5,48,000		5,48,000

Additional

Information:

- i. 25% of car expenses relates to personal use.
 - ii. Rate of depreciation on professional books is 100%, Car- 15% and Computer 60%.
 - iii. A cash gift of Rs. 2,500 received from a patient was not recorded in the books.
20. Mr. Ronnie owns three houses in Bangalore. The particulars in respect to his houses are given below from which you are required to compute his income from House property for the A.Y. 2017-2018.

Particulars	House-1	House-2	House-3
Status of Use	SOP	Let out	SOP
Municipal value	30,000	45,000	40,000
Rent received	10% of municipal value	10% of municipal value	10% of municipal value
Repairs	500	4000	3000
Fire Insurance premium	-	800	500
Ground rent	300	400	300
Interest on loan taken for Renovation	-	5000	1000

21. Mr. Arnold is an employee in a Bangalore based IT Firm. He gives the following information for the previous year 2016-2017.
- a. Basic Salary Rs. 10,000 per month
 - b. Dearness Allowance Rs. 6,000 per month (Does not enters)
 - c. Family allowance Rs. 600 per month

- d. City compensatory allowance Rs. 800 per month
- e. Education Allowance for two children at Rs. 350 per month per child
- f. Entertainment Allowance Rs. 750 per month.
- g. House rent allowance Rs. 1,600 per month. But he pays Rs. 3,000 per month as actual rent
- h. Conveyance allowance of Rs. 8,000 for visiting the branches (fully spent).
- i. He and company contribute 14% of salary towards Recognized Provident Fund
- j. Interest on Recognized Provident Fund was Rs. 15,000 at 15% per annum
- k. Professional tax paid Rs. 200 pm.

Compute Income from Salary for Assessment year 2017-2018.

22. a) State any ten sources of income which comes under the head "Income from other sources".
- b) State the provisions u/s 80C.