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Register Number:

DATE:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBA/BBASF – VI SEMESTER**

**SEMESTER EXAMINATION: JULY-AUGUST 2022**

**(Examination conducted in July-August 2022)**

**BBA 6219/BBASF 6219: Business Taxation**

Time- 2 ½ hrs Max Marks-70

**This paper contains 3 printed pages and four parts**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. Name 2 Inadmissible Expense and in Inadmissible Income while computing taxable business income.
2. Mention the provision of section 80DD.
3. Write any 4 features of GST.
4. Explain residential status of a company u/s 6(3) of the Income Tax Act.
5. The Book profit of a company is Rs. 10,00,000. What is the tax liability.
6. What is the meaning of Capital goods in GST.

 **Section B**

**II.** Answer ***any three*** of the following (**3x5 = 15 Marks)**

1. Explain the provisions relating to Deductions U/S 80 E and 80 EE of the Income Tax Act while computing taxable income.
2. Compute the Tax liability of a company from the following details given below:

Total income as per IT provision is Rs. 65,00,000 and Book Profit as per MAT Provision is Rs. 35,00,000.

1. Mr. Ashok Owns two buildings A and B on April 1st 2021( rate of depreciation 10%, depreciated value Rs. 15,00,000). He purchases on December 1st 2021 Building C for Rs 3,10,000 (rate of depreciation 15%) and sells Building A on 1.10.2021 for Rs 8,70,000. Determine the amount of Depreciation.
2. What is Mixed and Composite Supply? Give example for each.

**Section C**

**III.** Answer ***any two*** of the following (**2x15 = 30 Marks)**

1. Calculate Total Income of the Company

Book profit Rs. 8,00,000

Dividend from Indian Co 20,000

Dividend from Indian Co. whose 80% income related agriculture 20,000

Income from Mutual funds Rs 10,000

Royalty received from foreign govt. 30,000

Fees received for technical advice from Indian company 25,000

Dividend from foreign Company 16,000

Donated by company 10,000 to National Children’s fund.

1. Mention the importance of GST. List out ten goods and five services exempted from GST with example.

1. X a resident individual submits the following information, relevant for the previous year ending March 31st 2022.

|  |  |
| --- | --- |
| **Particulars** | **Amount(Rs)** |
| Income from salary (after deduction) | 1,40,000 |
| Income from house property (after standard deduction) |  |
| House 1 | 1,06,000 |
| House 2 | (1,25,000) |
| House 3 (self occupied) | (1,05,000) |
| Profits and gains of business or profession |  |
| Business 1  | 1,05,000 |
| Business 2 | (1,06,000) |
| Business 3 (Speculative) | (1,30,000) |
| Business 4 (Speculative) | 1,18,000 |
| Capital gains |  |
| Short term capital loss | (1,30,000) |
| Long term capital gains on transfer of preference shares | 1,27,000 |
| Income from other sources |  |
| Income from card games | 1,13,000 |
| Income from betting | 1,12,000 |
| Loss on maintenance of race horses | (1,23,000) |
| Income from owning and maintaining of race camels | 1,90,000 |

Determine the net income and the eligible losses to be carried forward for the next assessment year.

**Section D**

**III. Answer the following (1x15=15 Marks)**

1. Mr. Krishnamurthy is a sole trader and he submits the following P&L a/c for the year ended 31.3.2022.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount(Rs)Dr.** | **Particulars** | **Amount(Rs)Cr.** |
| To Opening stock | 1,10,000 | By Sales | 38,00,000 |
| Purchases | 14,00,000 | Closing Stock | 2,20,000 |
| Wages | 3,00,000 |  |  |
| Gross Profit | 22,10,000 |  |  |
|  | **40,20,000** |  | **40,20,000** |
| To Advertisement | 2,00,000 |  |  |
| Salary to staff | 6,60,000 |  |  |
| Govinda’s salary | 1,20,000 | Gross profit b/d | 22,10,000 |
| Audit fees | 60,000 | Rent from House property | 2,45,000 |
| Bad debts | 40,000 | Commission  | 1,50,000 |
| Reserve for bad debts | 50,000 | Bad debts recovered(earlier disallowed ) | 70,000 |
| General expenses | 2,50,000 | Dividends | 30,000 |
| Municipal tax on House property | 24,000 |  |  |
| Fire insurance premium of goods | 26,000 |  |  |
| Depreciation | 78,000 |  |  |
| Patents purchased | 1,60,000 |  |  |
| Staff welfare fund | 40,000 |  |  |
| Employee RPF | 50,000 |  |  |
| GST paid | 1,90,000 |  |  |
| Donation | 1,00,000 |  |  |
| Premium on Krishnamurthy’s LIC | 36,000 |  |  |
| Net profit | 6,21,000 |  |  |
| **Total** | **27,05,000** |  | **27,05,000** |

**Other information:**

1. Opening stock and closing stock were overvalued by 10%.
2. Advertisement includes Rs. 80,00,000 being cost of permanent sign board.
3. Business income of Rs. 70,000 was not recorded in P&L a/c
4. General expenses include Rs. 50,000 paid for securing business orders and 60,000 spent on Govinda’s birthday.
5. Depreciation allowable on all assets including sign board but excluding patents as per IT rules is Rs. 90,000
6. Patents were purchased on 11.10.2021 on which depreciation allowable is 25%.

 Compute his income from business for the assessment year 2021-2022.