****

Register Number:

Date:

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

**BBA V SEMESTER**

**SEMESTER EXAMINATION – OCTOBER 2021**

**(Examination conducted in January-March 2022)**

**BBA 5219 - Income Tax**

**Time-2 and 1/2 hours Max Marks-70**

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

**SECTION A**

1. **Answer any FIVE questions. Each question carries two marks (5x2=10)**
2. When and where is the Finance Bill presented?
3. Give 2 exceptions to the rule of Previous Year under section 6(1)
4. Identify whether the following are agricultural income:
5. Income from sale of seeds
6. Interest on loan given to farmer
7. Dividend from a company engaged in agriculture
8. Income from poultry farming
9. Name any four allowances which are fully taxable.
10. What are the deductions from Income from let-out house property?
11. How do you compute Long Term Capital Gain?

**SECTION B**

1. **Answer any THREE questions. Each question carries five marks. (3x5=15)**
2. Avinash, for his business purposes, keep on commuting to and from India. He leaves India on 18th April, 2020 and then comes back to India on 9th January, 2021. His stay in India during earlier years is as follows:

2019-20: Nil; 2018-19: 54 days; 2017-18: 162 days. Prior to this, he never went out of India. Determine his residential status for the A.Y.2021-22.

1. Ms. Sara, resident of Delhi, is working in a private company and receives the following emoluments for the financial year 2020-21:

Basic salary - Rs.1,00,000 per month.

Dearness Allowance – 20% of basic salary (enters for service benefits)

House rent allowance received – Rs.1,50,000 per month.

Rent paid Rs.1,20,000 per month.

Compute taxable HRA for the Assessment year 2021-22.

1. List out at least ten incomes from other sources and their taxability.
2. Compute total income of Sri Bhandari for A.Y.2021-22 from following information:
* Taxable salary (Net) Rs.3,75,000
* Income from other sources Rs.20,000
* Agricultural income Rs.4,000
* He paid LIC premium Rs.18,000
* He paid medical insurance premium by cheque for his dependent mother aged 68 years, Rs.20,000.
* He also deposited Rs.10,000 in Sukanya Samriddhi Scheme for his minor daughter Megha.

**SECTION C**

1. **Answer any TWO questions. Each question carries fifteen marks. (2x15=30)**
2. The Details of incomes of Mr. Anand for the financial year 2020-21 is as follows:
3. Past untaxed foreign income brought into India during 2020-21 ₹ 20,000.
4. He worked in an Indian Company and received salary in India during the year Rs. 5,40,000.
5. He has a house in Delhi from which he has earned Income from house property amounting to Rs. 2,70,000. Rental income is received in Japan.
6. Profits earned from a business established in Nepal and deposited in a bank there ₹ 72,500. The business establishment is situated in Bangalore.
7. Profits earned from a business in Germany controlled from India ₹1,00,000. Half of the profits were received in India.
8. Interest on German Development Bonds (1/5th received in India) ₹ 1,00,000.
9. He got married in the current year and has received Rs. 81,000 in cash gift from his friends. He also got a gift on his birthday in June from his wife’s father Rs. 27,000. He also gifts worth Rs. 63,000 from his friends on his birthday.
10. He has earned a long-term capital gain of Rs. 72,000 by sale of shares on stock exchange in India, on which securities transaction taxes have been paid.
11. He has rendered technical services to a company outside India, which has used these services for its business outside India. Income received outside India is Rs. 1,80,000.
12. Share of income from HUF ₹75,000
13. Profit from a hotel in Sydney ₹3,25,000

Compute the total income in case of Mr. Anand for Assessment Year 2021-22 assuming he is (i) Resident and Ordinary Resident; (ii) Resident but not ordinary resident; (iii) Non-resident.

1. Mr. Arun Raj is the vice-principal of a school in Bangalore. He furnishes the following particulars for the year 2020-21:

a) Basic salary Rs.16200 per month

b) DA (under terms of employment) Rs.11800 per month

c) He contributes 12.5% of his salary to a recognized PF

d) Education allowance for three children Rs.6000

e) Medical allowance Rs.8000, actual amount spent Rs.3000

f) Telephone bill of employee Rs.5000 paid by employer

g) Sweeper, servant and watchman at a salary of Rs.350per month per person was appointed by Arun Raj and their salary was paid by the college

h) Earned leave encashment Rs.22000 received during the year

i) LIC premium paid by employer Rs.6000

j) Arun Raj paid professional tax Rs.2400

k) The school has provided a rent-free house along with furniture facility costing Rs.25000

l) Group insurance policy premium also paid by employer Rs.1500.

Compute Taxable Income from Salary for the A.Y. 2021-22.

1. A. Shri. Suvin, aged 62 years gives the following details for year ended 31.3.2021:
	1. LIC premium paid Rs.15000, for policy taken on 15.5.2015 with a sum assured on Rs.1,40,000
	2. Contribution to Public Provident Fund Rs.50,000 in the name of his father.
	3. Tuition fees paid for his son Rs.25,000 for a full time BBA program in a college in Bangalore, for his daughter studying in USA Rs.2,50,000.
	4. Principal repayment of housing loan taken from a relative Rs.50,000
	5. Deposit under Senior Citizen Saving Scheme Rs.15,000
	6. Investment in National Saving Certificate Rs.18,000
	7. 6-year term deposits in a post office Rs. 30,000

Compute eligible deduction under Section 80C for A.Y.2021-22. (8 marks)

B. Identify with reasons whether the following expenditures will be admissible or inadmissible for the computation of Taxable Profits and Gains from Business/ Profession:

* 1. Excess depreciation
	2. Charities and donations
	3. Expenditure on scientific research
	4. Staff welfare expenses
	5. Speculation loss
	6. Loss on sale of fixed assets
	7. Legal expenses for filing income tax appeal (7 marks)

**SECTION D**

1. **Answer the following question. The question has fifteen marks. (1x15=15)**
2. The following are the different incomes earned by Ms. Francis (age 38) during the PY 2020-21.
	1. Computed Salary from a multinational company Rs. 15,00,000 p.a.
	2. Income from agricultural land situated in Srilanka Rs. 65,000.
	3. Income from conducting quiz shows for school students Rs. 5000.
	4. Income from her textile business Rs. 3,00,000.
	5. Gross Winnings from game shows Rs. 50,000.
	6. Taxable LTCG from sale of land Rs. 10,00,000.
	7. Computed STCG from sale of gold coin Rs. 10,000.
	8. Compensation received on account of maturity of Life insurance policy Rs. 1,00,000.
	9. Computed income from her let out property in Orissa Rs. 60,000.

During the previous year she contributed Rs.50,000 towards NPS and Rs.75000 towards RPF.

You are required to:

* 1. Compute her GTI
	2. Total income and
	3. The net tax liability for the AY 2021-22. (7+3+5=15 marks)

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*