

School of Finance and Commerce

**Bachelor of Business Administration in Financial Investment Analysis
Semester End Examination - Aug 2024**

**Duration : 180 Minutes
Max Marks : 100**

Sem IV - H1UB403T/ H1UB401T - Income Tax Law and Accounts*General Instructions*

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) During the previous year 'D' earns a profit of RS. 50000 by selling a piece of land in Lucknow on which vegetables were being grown and which was purchased on 30.12.2008. The profit would be taxable under which head? K1(2)
- 2) Explain fully the deductions allowable under the head 'Salaries'. K2(4)
- 3) Explain the difference between Recognized Provident Fund and Unrecognized Provident Fund. K2(6)
- 4) Develop an understanding on the essential characteristics of the term 'Income' in the light of the statement "Income Tax is a tax on Income and not on Receipts." K3(9)
- 5) Mr. Hari Kishan owns three houses in Agra city. He got a house as a gift from a widow on the condition that she will be paid Rs. 12000 per annum for the maintenance throughout her life. The house has been let at Rs. 2300 p.m. and the municipal taxes paid Rs. 3000. The value of the second house according to municipal records is Rs. 14800 and standard rent of Rs. 15000, but it has been let out at Rs. 1500 p.m. and the tenant has undertaken to bear the cost of repairs. Municipal taxes paid amounted to Rs. 2000. The third house which was constructed in 1.1.2017 with a borrowed capital of Rs. 150000 @ 10% per annum interest from a firm of Sydney (Australia), is occupied by Mr. Hari Kishan as his residence. Municipal valuation of this house is Rs. 8000 per annum and the municipal tax is levied @ 10% but it could not be paid during the year. The outstanding loan on 1.4.2022 was Rs. 120000 and nothing was repaid out of capital sum during the year. Interest has been remitted to the Sydney firm without deducting any tax from it and there is no person in India who can be treated as the agent of that firm in India. Solve the question by computing his income from house property for the assessment year 2023-24. K3(9)
- 6) Discuss briefly about the various types of assessmnet on the basis of their importance K5(10)
- 7) Examine taxable salary of Mr. X for the assessment year 2023-24: K4(12)

a. Salary 60000 pm b. D.A 10000 pm c. Entertainment Allowance 1000 pm d. Employer's contribution to RPF 88800. His own contribution was 88800. e. Interest @10% pa on credit balance of recognized PF amounted to 50000. f. City compensatory allowance 500 pm g. Medical allowance 1200 pm h. He has been provided with a large car for both official and personal use. Employer bears all the expenses of the car. i. He is provided an unfurnished house by the employer in a city (population 12 lakh). The fair rental value of the house is 90000 pa. Employer charges 2000 from him per month as rent.

- 8) Aditi went first time out of India to Japan on 10th December, 2016. She came back to India from Japan on 1st April, 2018. On 15th October 2020 she went to America and came back to India on 1st April 2021. In the previous year 2022-23, she was in India for only 62 days. She has the following incomes in the previous year 2022-23: (i) Capital gains on the sale of property received in India RS. 450000. The property is situated in Japan. 50% of Capital gains was sent to Japan. (ii) Income from house property situated in Japan Rs. 252000, 50% was received in India and remaining was deposited there in a bank. (iii) Profit of a business situated in America Rs. 840000 (This business was controlled from India.) (iv) Dividend from an American company Rs. 250000 of this 40% was received in India and remainder in Japan. You are required to determine the residential status of Aditi for the previous year 2022-23 and on the basis of residential status compute her gross total income. K5(15)
- 9) The following are the particular of the income of Shri Vinod Kumar who is employed in a textile mill company at Jaipur for the year ended 31st March, 2023: (a) Salary at Rs.16000 per month and his travelling allowance for going on tours for the year amounted to Rs.2800 (b) He contributed @ 13% to his Recognised Provident Fund to which the company contributed an equal amount. The interest on his provident fund amounted to Rs.4500. (c) He owns two bungalows one of which is let out at Rs.2000 per month and the other is occupied by him for his residence, the annual rental value of the same being Rs.1960. He has paid Rs.200 as ground rent and insurance charges in respect of the first bungalows and Rs.150 in respect of the second. The municipal taxes paid by him in respect of the two bungalows amounted to Rs.4000 and Rs.1800 respectively, and he spent Rs.3000 on white-washing and petty repairs in respect of both the bungalows. (d) He received Rs.8500 as interest on Government Securities and Rs.4475 as dividend from a domestic company. (e) He has insured his life in 2016 and pays annual premium of Rs.2000 on his policies of Rs. 30000. Evaluate his total income for the Assessment year 2023-24. K5(15)
- 10) An Indian citizen and businessman Mr. Anuj who resides in Bhopal went to London for the first time for employment purpose on 8th August, 2022 and came back to India on 31st October, 2023. Mr. Anuj has not been out of India in the past. Estimate the residential status of Mr. Anuj for the assessment year 2023-24. If he has gone to London on a Leisure trip what will be your answer? K6(18)