

ANSWER SCRIPT



Manipal Academy Of Higher Education

Department of Commerce

Student Name: DEVESH KUMAR JHA .
Roll Number: 212621286
Exam Event: DCOM - I-III and V Semester UG - Mid Term Examination - October 2023
Subject Name: [BBAC 3501] BUSINESS TAXATION
Exam Date: 16-Oct-2023 (09:30 AM - 11:00 AM)
Course: Bachelor of Business Administration
Branch: BBA
Year/Sem: Semester 5

Score

15.00
20.00

QNo	Score / Max Score
A (5 / 5)	
1	1.00 / 1
2	0.00 / 1
3	1.00 / 1
4	1.00 / 1
5	1.00 / 1
B (4 / 4)	
6	0.50 / 2.5
7	1.00 / 2.5
8	2.50 / 2.5
9	2.50 / 2.5
C (1 / 1)	
10	4.50 / 5

What does N stand for in HSN?

- Network
- Nationalization
- Nomenclature
- Nomination

GST is applicable on:

- Petrol
- Alcoholic Liquor for human consumption
- Tobacco Natural Gas
- Natural Gas

Mr. Amit is an investor in the Indian Equity Market purchased 5,000 shares for Rs. 5 each in the morning and sold at Rs. 10 each in the evening. What will be the securities transaction tax payable for this transaction?

- Rs. 5.00
- Rs. 6.25
- Rs. 10.00
- Rs. 12.50

According to the Securities Contract Act of 1956, securities transaction tax is not applicable for the following types of securities.

Equity Mutual Funds

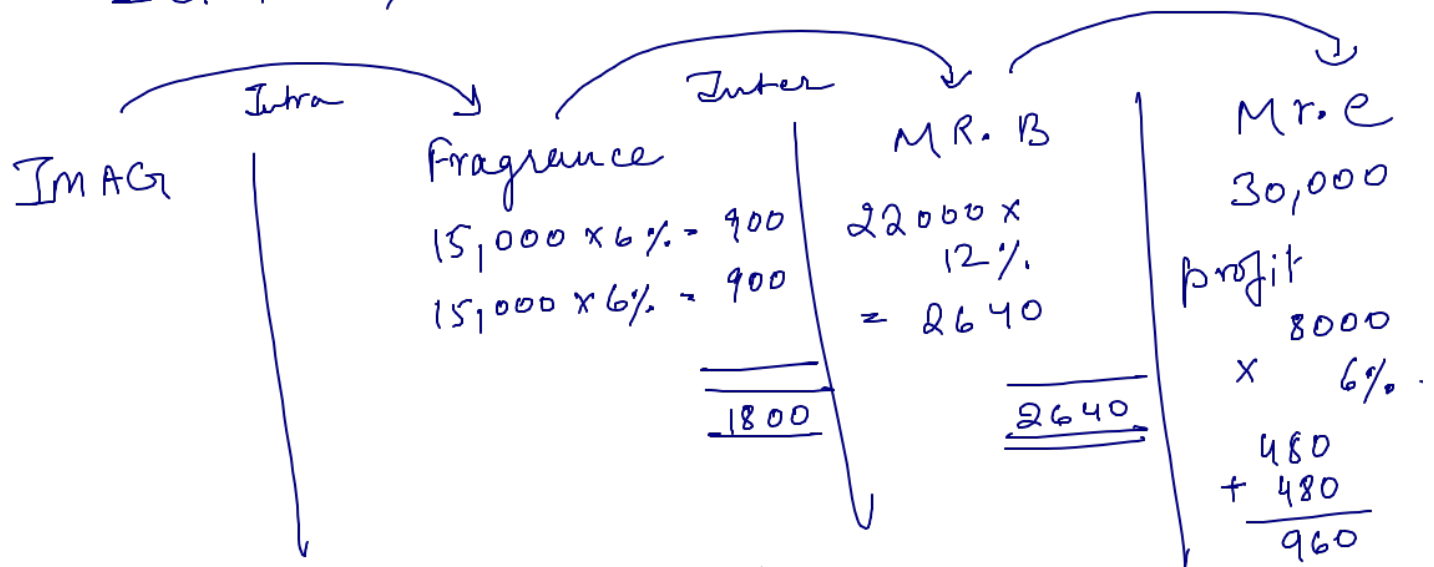
Shares, stocks, bonds and debentures

Commodity transactions

Securitized Debt instruments

XYZ Ltd. allotted 100 bonus shares to Mr. Arvind in the ratio of 1:2 on 01.12.2021. He received dividend of Rs. 10 per share on 01.05.2022. Find out the taxable income, if any, for AY?

- Nil
- Rs. 1,500
- Rs. 2,000
- Rs. 3,000

$$IGST = 12\%$$


∴ Value of GST payable to government by Mr. B

$$\Rightarrow 2640 + 1800 = 4440 \text{ d}^2 + 960 = 5400 \text{ d}^2$$

(i) 5-6-2017 — ₹2425 — 5000 shares acquired
 20-12-2021 — ₹2500 — 5000 shares sold
 31-01-2018 — FMV — 45092

LTCG :-

Sales consideration
 (-) COA (450 X 5000)

$$5000 \times 500 = 25,00,000 \\ = (22,50,000)$$

* Higher of COA
 425 vs 450

Lower of sales value & FM
 500 vs 450

Total taxable Income = 2,50,000

(-) Exemption 1,00,000 = 1,50,000

∴ Tax liability = 15% of 1,50,000

$$\Rightarrow \boxed{22500}$$

(ii) 14-10-2021 — 25,00,000 — sold house
 1-07-2015 — 10,50,000 — Purchase

LTCG :-

$$\begin{aligned}
 &\text{Sales value} = 25,00,000 \\
 (-) \text{ COA } &\left(\frac{317}{254} \times 10,50,000 \right) = (13,10,433.070) \\
 &\quad \quad \quad \rightarrow 24,80,314.961 \\
 &\quad \quad \quad \text{Total Taxable Income} = 11,89,566.929 \\
 &\quad \quad \quad \text{Tax liability} = 20\% \text{ of } 11,89,566.929 \\
 &\quad \quad \quad = 2,37,913.3858
 \end{aligned}$$

Business Income :-

$$\begin{aligned}
 &\text{Sales value} = 25,00,000 \\
 (-) \text{ Market value} &= \frac{18,00,000}{10,00,000}
 \end{aligned}$$

Total Taxable income

$$= 10,00,000 + 11,89,566.929 = 21,89,566.929$$

_____ x _____ x _____

	(a) pm	(b) pm	pm (c)
Basic	42000	42000	48000
DA	17000	17000	17000
CCH	2000	2000	2000
Other Allow.	8000	8000	8000
HRA	8000	8000	—
G.S	77000 X 12	77000 X 12	69000 X 12
	924000	924000	828000
Exempt HRA Less Deduction U/s 10 (least of the following)			
i) Actual 96000			
ii) Rent paid - 10% of salary = 108000 - 70800 = 37200			
iii) Assume place Jambhedpur 40% of salary = 283200	(37200)	0	—
Net salary	886800	924000	828000

Deduction u/s sec 80 least of following 8068 (i) 20,000 (ii) Rent paid - 10% of salary 37200 (iii) 28% of salary 177000	-	-	(37200)
Total taxable Income	886800	924000	790800

years = 32 years

Exempt gratuity (least of following)

0.57692

(i) Actual gratuity = 17,00,000

(ii) Calculated gratuity = $65000 \times \frac{15}{26} \times 32 = 1199993.59$

(iii) 20,00,000

↓
Exempt
gratuity

Taxable gratuity = 17,00,000 - 11,99,993.59

2) 500006.40999

March 31
 April 10 + 2 = 12
 May 31
 June 30
 July 31
 Aug 30
 Sept —
 Oct —
 Nov 3
 Dec 23
 Jan 31
 Feb 10

March 22

254 ~~X~~

He is a resident of India as he satisfies condition —
 i.e. ≥ 182 in current PY.

condition (c)

↳ 2 PY resident in least 10 PY

22-23

a
x

b
✓ (60 days in that year)
✓ (221 > 365 days
in last 4 years
preceding current)

20-21

✓

\therefore condition c is fulfilled as he is a resident for 2 PY in the last 10 PY

Condition d = ≥ 730 days in last 7 years

$$\Rightarrow 1104 \geq 730 \quad (178 + 165 + 192 + 143 + 121 + 146 + 159)$$

\therefore Dr. Anand is ordinary resident of India as he satisfies to be a resident and fulfills condition c & d as well.

high variation in condition a value

———— x ————— x ————— x —————