

ANSWER SCRIPT



Manipal Academy Of Higher Education

Department of Commerce

Student Name: KARTHIK N BHANDARY K .
Roll Number: 212621146
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

16.00
20.00

QNo	Score / Max Score
A (5 / 5)	
1	1.00 / 1
2	1.00 / 1
3	0.00 / 1
4	1.00 / 1
5	0.00 / 1
B (4 / 4)	
6	1.50 / 2.5
7	2.00 / 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

Mr B purchase = ₹ 22,000.

Since it is inter state

I GST is applicable

$$\therefore 22,000 \times 12\% = ₹ 2640$$

Sale to Mr C

$$\text{value} = ₹ 30,000$$

$$\text{C GST} = 6\%$$

$$₹ 30,000 \times 6\% = ₹ 1,800$$

$$\text{S GST} = 6\% = ₹ 1,800-$$

\therefore Mr B's GST

$$\text{payable} = 1800 + 1800$$

$$+ 2640$$

$$= \underline{\underline{₹ 6240}}$$

$$\begin{aligned} \text{i) Sale value} & \quad \text{₹ } 25,00,000 \\ 5000 \times 500 & \end{aligned}$$

$$\begin{aligned} \text{ii) Cost of Acquisition} & \quad \text{₹ } 22,50,000 \\ & \end{aligned}$$

$$\begin{aligned} & \text{₹ } 22,50,000 \\ & (\text{FMV} \times 5000) \end{aligned}$$

$$\therefore \text{LTCG} \quad \text{₹ } \underline{\underline{2,50,000}}$$

$$\therefore 10\% \text{ of tax} = \text{₹ } 25,000$$

$$+ 4\% \text{ Cess} = \text{₹ } 1000$$

$$\begin{aligned} \text{total} \\ \text{tax} \\ \text{liability} & \quad = \text{₹ } 26,000 \end{aligned}$$

$$ii) \text{ Sale value} = ₹ 25,00,000$$

$$(-) \text{ Cost of Acquisition } 13,10,433$$

$$\therefore \text{LTC} = ₹ 11,89,567$$

$$\therefore \text{Tax liability} = ₹ \underline{\underline{2,37,913}}$$

20%.

$$× 11,89,567$$

	a	b	c
Basic	5,04,000	5,04,000	5,04,000
DA	2,04,000	2,04,000	2,04,000
CUA	24,000	24,000	24,000
HRA	96,000	96,000	Nil
OA	96,000	96,000	96,000
Gross Salary	9,24,000	9,24,000	8,28,000
Exempt HRA			
last of			
a) HRA received			
96,000			
b) Rent - 10% Sal	37,200	—	—
c) 50% Sal			
Net Salary	8,86,800	9,24,000	8,28,000

Loss Deduction

Sec 80 b b

Least of
a) 5000 pm

b) Rent - 10%
Sal

c) 25% of Sal

Total
taxable
Income.

$$\begin{array}{r}
 \text{---} \\
 8,86,800 \\
 \hline
 \hline
 \end{array}
 \quad
 \begin{array}{r}
 \text{---} \\
 9,24,000 \\
 \hline
 \hline
 \end{array}
 \quad
 \begin{array}{r}
 37,200 \\
 \hline
 \hline
 7,90,800 \\
 \hline
 \hline
 \end{array}$$

Avg Salary for
10 months = ₹ 65,000
(Basic + DA)

Exempt gratuity

Least of

1) ₹ 2,00,000

2) Gratuity received = ₹ 17,00,000

3) Avg Salary of 10 months $\times \frac{15}{26}$
 \times years of service

$$= 65,000 \times \frac{15}{26} \times 32$$

$$= ₹ 11,99,999.999$$

$$\approx ₹ \underline{\underline{12,00,000}} \rightarrow \text{Exempt gratuity}$$

$$\begin{aligned}\therefore \text{Taxable gratuity} &= \text{Gratuity received} - \text{Exempt gratuity} \\ &= \text{£}17,00,000 - \text{£}12,00,000 \\ &= \text{£}\underline{\underline{5,00,000}}\end{aligned}$$

Q:10 Page:1

April	12
May	31
June	30
July	31
AUG	30
SEP	0
OCT	0
NOV	2
DEC	23
JAN	31
FEB	9
MAR	22

∴ Total days of
residence = 221
which is greater than 182
∴ According to Condition A
Dr Anand is a resident

$$22 - 23 = 178$$

a

X

$$21 - 22 = 165$$

X

$$20 - 21 = 192$$

$$19 - 20 = 143$$

$$18 - 19 = 121$$

$$17 - 18 = 146$$

$$16 - 17 = 159$$

$$15 - 16 = 134$$

$$14 - 15 = 87$$

$$13 - 14 = 32$$

b

✓ (621 >

✓ 365)

(6027365)

Condition C
is fulfilled

Total no. of in last 7 = 1104
days of residence years

which is greater than 730 days
satisfying condition D.

∴ Dr Anand is an Ordinary Resident.
as all rules are met

condition d calculation not shown