ANSWER SCRIPT

Manipal Academy Of Higher Education

Department of Commerce

Student Name:	PALLAVI MENON .
Roll Number:	212621302
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	0.00 / 1
3	0.00 / 1
4	1.00 / 1
5	1.00 / 1
B (4 / 4)	
6	2.50 / 2.5
7	1.50 / 2.5
8	2.50 / 2.5
9	2.50 / 2.5
C (1 / 1)	
10	4.00 / 5

What does N stand for in HSN?

Network   Nationalization   **Nomenclature**   Nomination

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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

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

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

Imag services $\xrightarrow{15,000}$ fragranu ltd

Frag $\xrightarrow{22,000}$ MrB

MrB $\xrightarrow{30,000}$ MrC

Particulars	IGST	CGST	SGST
Intra state Sales			
30,000 ⟨ CGST 6% / SGST 6%		1800	1800
Interstate purchase			2640
22000 @ 12%			

GST Payable

	IGST	CGST	SGST
Output	0	1800	1800
IGST	—	(1800)	(840)
CGST			
SGST			
	0	0	9.60

∴ GST Payable by Mr.B $= ₹ 960$

F

July 2015 → Purchased house for 10 50, 000 (FNV = 1300,000)

June 2017 → Mr. Rakshith purchased shares

Jan 2018 → Traded @ FNV 450/s

Oct 2021 → Sold house for 25,00,000

Dec 2021 → 5000 shares wer sold.

Particulars	Amt
i) Capital Gain	
Gross Sales Consideration (5000 × 500)	25,00,000
– COA (5000 × 450)	(22 50,000)
Capital Gain ⟶	2,50,000
Tax liability 2,50,000 × 15%	37,500
+ health & Education cess @ 4%	1500
Tax liability ⟶	3 9,000

11) Gross Sales consideration   25,00,000

    - COA
$$\left(10,50,000 \times \frac{317}{254}\right)$$ (13,10,433)
               Total taxable income ⟶   1189567

Tax liability
1189567 × 10% ⟶ 1,18,957

∴ Total tax income = 14,39,567

     Tax liability = 157,957

Income from head Salary

Particulars	A	B	C
Basic (42,000 p/m)	504,000	504,000	504,000
DA (17,000 p/m)	204,000	204,000	204,000
CCA (₹ 2000 p/m)	24,000	24,000	24,000
Other Allowances (8000 p/m)	96,000	96,000	96,000
HRA	96000	96000	—
GROSS Income	9,24,000	9,24,000	8,28,000

$-$ Exemptions (least)
Exempt HRA

1) Actual HRA
   $= 96000$

2) Rent paid p.a
   $(-)$ 10% Salary
   $= 37,200$

3) 40% Salary
   $= 2,83,200$

		A	B	C
		(37,200)	0	—
		8,86,800	9,24,000	8,28,000

— <u>Deductions</u>

1) 5000 p/m

  = 60000

2) Rent −10% Sal

  = 37,200

3) 25% Sal

  = 177000

(37,200)

Total Taxable income ⟶   886,800   9,24,000   790,800

<u>Working Note</u>

Rent paid p.a = A) 108000

Salary = Basic + DA + Commission

        = 504000 + 204000 + 0 = 708000

Calculation of Exempt Gratuity (least of the following)

1) Actual Gratuity = 17,00,000

2) Calculated Gratuity
$$= (Basic + DA) \times \frac{15}{26} \times No.\ of\ yrs$$

$$= 65,000 \times \frac{15}{26} \times 32 = \underline{\underline{12,00,000}}$$

3) 20,00,000

Exempt Gratuity = 12,00,000

Taxable Gratuity = 5,00,000

Condition A (182 days in the current PY)

April → 11

May → 31

June → 30

July → 31

Aug → 29

Sept → 0

Oct → 0

Nov → 3

Dec → 23

Jan → 31

Feb → 9

March → 22

Total No. of days stayed in
India 23-24

= 220

> Dr. Anand is a resident of India
> as he satisfies Condition A

Condition C & condition D

	A	B		C	D
2022-23	178	X	✓ ✓		
2021-22	165	X	✓ ✓		
2020-21	192				✓ ✓
2019-20	143				
2018-19	121				
2017-18	146				
2016-17	159				

condition d calculation and value not shown

Dr. Anand is an Ordinary Resident as he:-

1) Satisfies condition C because he is resident in the years 2022-23 & 2021-22

2) Satisfies condition B because he resides in India for more than 730 days in the last 7 PY's preceeding the current PY.