

ANSWER SCRIPT



Manipal Academy Of Higher Education

Department of Commerce

**Student Name:** HANITA GHANTA .  
**Roll Number:** 212621194  
**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

15.50  
20.00

QNo	Score / Max Score
A (5 / 5)	
1	1.00 / 1
2	1.00 / 1
3	1.00 / 1
4	1.00 / 1
5	0.00 / 1
B (4 / 4)	
6	2.00 / 2.5
7	0.50 / 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

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
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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

Process flow of goods  $\Rightarrow$  Fragnance ltd  $\xrightarrow{22,000}$  Mr. B  $\xrightarrow{30,000}$  Mr. C  
(Mumbai) (Karnataka)

Rate of CGST = 6%  
SGST = 6%  
IGST = 12%

tax payable by to the government.

Computation of output tax of Mr. B

	IGST	CGST	SGST
Output			
Interstate purchase	2640		
So, $22,000 \times 12\%$ (IGST)			

Computation of Input tax of Mr. B. (Assuming C in karnataka)

	IGST	CGST	SGST
Input tax			
CGST: $30,000 \times 6\%$		1800	
SGST: $30,000 \times 6\%$			1800

tax computation: Output - Input.

	IGST	CGST	SGST	bal cif
Output	2640	-	-	
IGST				
CGST	1800	0		
SGST	840		0	960

There is no tax payable by Mr. B  
Balance of STCG is carried forward by ₹ 960.



particulars	Amount
Capital gains	
Gross Sales Consideration = $5000 \times 500$	2,50,000
- 1% STT = 2500	<u>2500</u>
net Sales consideration	<u>2,47,500</u>
- COA	2,12,000
- 1% STT =	<u>2120</u>
Capital gains	<u>32,880</u>
(ii) residential property	
Gross Sales consideration	25,00,000
- COA $(1050000 \times \frac{317}{254})$	<u>13,10,483</u>
capital gains.	<u>11,89,517</u>
taxability on stock Capital gains	0
taxability on residential property	

capital gains =  $1189517 + 32880 = \underline{\underline{1222397.}}$

Salary = 59,000 pm ; 7,08,000 pa.

Income under head	Amount		
	(a)	(b)	(c)
Basic	5,04,000	5,04,000	5,04,000
DA	2,04,000	2,04,000	2,04,000
CCA	24,000	24,000	24,000
Other allowance	96,000	96,000	96,000
HRA	96,000	96,000	-
Gross Income	9,24,000	9,24,000	8,28,000
less HRA deductions (least of the follow)			
(i) Actual HRA = 96,000			
(ii) Rent paid - 10% of Salary = 108000-70800	37200		
(iii) 40% of Salary = 2,83,200			
less HRA deductions.			
(i) Actual HRA = 96000			
(ii) Rent paid - 10% of Salary = 0-70800		0	
(iii) 40% of Salary = 2,83,200			
less Section 80 GG deduction for rent paid but NO HRA received.			
(i) 5000 pm = 60,000			
(ii) Rent paid - 10% of Salary = 108000-70800			37200
(iii) 25% of salary = 177000			
Total taxable income	8,86,800	9,24,000	7,90,800

Total taxable income - (a) Rs.8,86,800  
(Condition) (b) Rs. 9,24,000  
(c) Rs. 7,90,800 .

Exempt and taxable gratuity calculation

years of service = 32 yrs

Actual gratuity = 17,00,000

Salary = 65,000

Exempt gratuity: (least of the following)

(i) Actual gratuity = 17,00,000

(ii) Avg of last 10 months salary  $\times \frac{15}{26} \times$  yrs of service

$$= 65000 \times \frac{15}{26} \times 32 = 12,00,000$$

(iii) Rs. 20,00,000

Exempt gratuity = ₹ 12,00,000

taxable gratuity = Actual gratuity - exempt gratuity  
= 17,00,000 - 12,00,000

taxable gratuity = ₹ 5,00,000 //

Month	Days in month	Days Stayed
April	30	12
May	31	31
June	30	30
July	31	31
August	31	30
September	30	0
October	31	0
November	30	3
December	31	23
January	31	31
February	29	10
March	31	22
Total Days		200

According to condition a Dr. Anand is a resident of India as he has resided for over 182 days in India in the PY 2023-24.

PY	No. of days in India	a	b
2022-23	178	X	✓ (621 in last 4 Pys)
2021-22	165	X	✓ (602 in " )
2020-21	192	✓	
2019-20	143	1104 days	
2018-19	121		
2017-18	146		
2016-17	159		
2015-16	134		
2014-15	87		
2013-14	32		

Dr. Anand is also an Ordinary resident of India as he has resided in India for over 2 Pys in the last 10 Pys preceeding the current py thus, Satisfying condition c.

He has also resided for more than 730 days in the last 7 Pys preceeding the current py, Satisfying condition d. //

condition a value far away from range