

ANSWER SCRIPT



Manipal Academy Of Higher Education

Department of Commerce

**Student Name:** RYAN ANTONY CORNELIO .  
**Roll Number:** 212621214  
**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	0.00 / 1
B (4 / 4)	
6	2.50 / 2.5
7	2.50 / 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

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

GST Payable to Govt = Output Tax - Input Tax

Calculation of Output Tax

	IGST	Cgst	SGST
GST Payable on Sales 30,000			
Cgst 6%.		1800	
SGST 6%.			1800
Output Tax		1800	1800

Calculation of Input Tax

	IGST	Cgst	SGST
GST Payable on purchases 22000			
IGST 12%.	2640		
Input Tax	2640		

GST Payable by Mh. B

	IGST	Cgst	SGST	bal c/f
Output	0	1800	1800	
IGST		(1800)	(840)	
Cgst				
SGST Payable			960	

$$\begin{aligned}\text{Tax Payable by M.A.B to Govt} &= \text{Output Tax} - \text{Input Tax} \\ &= (1800 + 1800) - 2640 \\ &= 3600 - 2640 \\ &= \underline{\underline{960}}\end{aligned}$$



1. Calculation of Long Term Capital Gains

Sales Value Consideration ( $5000 \times 500$ )	25,00,000
(-) Cost of Acquisition (W1)	22,50,000
Long Term Capital Gains	2,50,000

2. Calculation of Capital Gains

Sales Value of House	25,00,000
(-) Cost of Acquisition ( $10,50,000 \times \frac{317}{254}$ )	13,10,433
Capital Gains for 2022-23	11,89,567

Total Taxable Income	14,39,567
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Tax Liability

LTCG on equity shares ( $2,50,000 - 1,00,000$ ) $\times 10\%$	15000
LTCG on sale of house $11,89,567 \times 20\%$	2,37,913
Add: CESS @ 4%	10116
Tax Payable	263029

Working Note 1:

(calculation of cost of Acquisition  
21,25,000

a) cost of Acquisition

b-1) FMV <sup>or</sup> of shares

22,50,000

b-1) Sales Value of shares

25,00,000

} Higher

} Lower

COA = 22,50,000

Particulars	A	B	C
Basic 42000 pm	504000	504000	504000
DA 17000 pm	204000	204000	204000
CCA 2000 pm	24000	24000	24000
Other Allowance 8000 pm	96000	96000	96000
HRA	96000	96000	—
Gross Salary	924000	924000	828000
Less: Exempt HRA (least of following)			
a) Actual HRA received		0	0
b) Rent Paid - 10% of salary	37,200	0	0
c) 50% of salary			
Net Salary	886800	924000	828000
Less: Deductions u/s 80 GG			
a) 5000 pm			
b) Rent paid - 10% of salary			37200
c) 25% of salary			
	886800	9,24,000	790800

$$\text{Salary} = \text{Basic} + \text{DA}$$
$$504000 + 204000 = 7,08,000$$

$$\text{Rent Paid} - 10\% \text{ of Salary}$$
$$1,08,000 - 70,800 = 37,200$$

$$50\% \text{ of Salary} = 3,54,000$$

$$\text{Actual HRA received} = 96,000$$

$$25\% \text{ of Salary} = 1,77,000$$

Actual Gratuity Received	17,00,000
<u>Less: Exempt Gratuity (least of following)</u>	
a) Actual Gratuity Received	
b) $\text{Avg Salary} \times \frac{15}{26} \times \text{No of years of service}$	12,00,000
c) Rs. 20,00,000	
Total Taxable Gratuity	<u><u>5,00,000</u></u>

$$\begin{aligned} \text{Avg Salary} &= \text{Basic} + \text{DA} \\ &= 42000 + 23000 = 65000 \end{aligned}$$

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

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PY = 2023 - 2024

AY = 2024 - 2025

- a) Resident for atleast 182 days in current PY  
 b) Resident for atleast 365 days in last 4 PYs excluding current PY  
 & atleast 60 days in current PY  
 c) Resident for atleast 2 PYs out of last 10 PYs  
 d) Resident for 730 days in last 7 PYs

R = a / b / a &amp; b satisfied

NR = a &amp; b not satisfied

OR = R satisfied, C &amp; d satisfied

NOR = R satisfied, C &amp; d not satisfied

	Total Days	Actual Days
April	30	12
May	31	31
June	30	30
July	31	31
August	31	29
September	30	—
October	31	—
November	30	3
December	31	24

January	31	31
February	29	10
March	31	22
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		223

PY	No. of Days	A	B	R
2022 - 23	178	X	✓	✓
2021 - 22	165	X	✓	✓
2020 - 21	192	✓		
2019 - 20	143	X		
2018 - 19	121	X		
2017 - 18	146	X		
2016 - 17	159	X		
2015 - 16	134	X		
2014 - 15	87	X		
2013 - 14	32	X		

Dr. Anand is a Resident as he has stayed for a total of 223 days in the current PY.

He is also a Ordinary Resident as he was a Resident in 2 PYs out of last 10 and has stayed for a total of 1104 days in last 7 PY

condition d calculation not shown