

ANSWER SCRIPT



Manipal Academy Of Higher Education

Department of Commerce

**Student Name:** SIVANI REGHU .  
**Roll Number:** 212621023  
**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	0.00 / 1
3	0.00 / 1
4	1.00 / 1
5	0.00 / 1
B (4 / 4)	
6	2.50 / 2.5
7	1.00 / 2.5
8	2.50 / 2.5
9	2.50 / 2.5
C (1 / 1)	
10	5.00 / 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

Mr. B's Input GST	amount (₹)
IGST 12% (22,000 × 12/100)	2640

Mr. B's output GST	amount(Rs)
CGST 6%	1,800
SGST 6%	1,800

	output IGST	output CGST	output SGST
	-	1,800	1,800
Input IGST	-	(1,800)	(840)
Input CGST	-		
Input SGST	-		
GST PAYABLE			960

(i)

Particulars	(Rs) amount
Long Term Capital Gain sales consideration	25,00,000
less cost of acquisition	17,02,681
	7,97,316

ii) sales consideration	25,00,000
less cost of acquisition.	13,10,433
	11,89,567

Total taxable LTCG	19,86,883
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Tax Liability (19,86,883)

Total income tax payable



Calculation of Exempt HRA and Total Taxable Income			
Particulars	senario (a)	senario (b)	senario (c)
Basic (42,000 x 12)	5,04,000	5,04,000	5,04,000
DA (17,000 x 12)	2,04,000	2,04,000	2,04,000
CCA (2,000 x 12)	24,000	24,000	24,000
other allowance (8,000 x 12)	96,000	96,000	96,000
HRA	96,000	96,000	—
GROSS TOTAL INCOME	9,24,000	9,24,000	8,28,000
Exempt HRA %s 10			
(a) (8000 x 12) 96,000			
(b) Rent - 10% salaries			
(c) 50% salaries	(37,200)	0	NA
less Deduction %s 80			
(a) 5000 x 12 = 60,000			
(b) Rent - salaries 10% (37200)			
(c) 25% salaries =	—	—	(37,200)
(1,77,000)			
TOTAL TAXABLE INCOME	8,86,800	9,24,000	7,90,800

Notes

(i) computing Exempt HRA

senario (A)	senario (B)
(a) 96,000	(a) 96,000
(b) 108,000 - 70,800 = 37,200	(b) 0 —
(c) 3,54,000	(c)

Salary = Basic + DA = 5,04,000 + 2,04,000  
= Rs 7,08,000

**Given:**

no of years worked	= 31.5 years rounded to 32 years
Gratuity paid	= Rs 17,00,000
Basic	= Rs 42,000 Per month
DA	= Rs 23,000 per month
CCA	= Rs 5,000 per month
HRA	= Rs 11,000 per month
Bonus	= Rs 50,000 Per month.

Calculation of EXEMPT Gratuity and TAXABLE Gratuity	
Particulars	Amount (Rs)
Actual Gratuity	17,00,000
Less: Exempt Gratuity	
(a) 17,00,000 (Actual Gratuity)	
(b) $65,000 \times \frac{15}{26} \times 32 =$	
12,00,000 (Calculated Gratuity) (NI)	(12,00,000)
(c) 20,00,000 (Standard)	
<b>TOTAL TAXABLE GRATUITY</b>	<b>Rs 5,00,000</b>

**Notes**

i) salary = Basic + DA  
 $= 42,000 + 23,000 = \text{Rs } 65,000$

Computation of Dr. Anands Residential Status

2023 - 2024	no. of days in India
April (30)	= 13
May (31)	= 31
June (30)	= 30
July (31)	= 31
Aug (31)	= 30
September (30)	= 0
October (31)	= 0
November (30)	= 4
December (31)	= 23
January (31)	= 31
February (29)	= 10
March (31)	= 22

Total no of days in India 2023-2024 = 225 Days

Dr. Anand is a Resident because the condition of "Residing for minimum 182 Days in the current Previous Year" is satisfied. He stayed in India for 225 Days which is more than 182 Days.

**Qim:** To find out if he is an ordinary or non-ordinary Resident.

Previous Years	no. of Days in India	condition (a)	condition (b)
2022-23	178	X	✓ (612 days) ✓
2021-22	165	X	✓ (602 days) ✓
2020-21	192		

2019-20	143
2018-19	121
2017-18	146
2016-17	159
2015-16	134
2014-15	87
2013-14	32

⇒ Dr Anand is a Resident for the years 2022-23 and 2021-22 because the condition "Residing for minimum of 365 days in the last 4 Previous years preceding the current previous year and staying for 60 Days in the current previous year is satisfied."

⇒ The condition 'c' "Resident for minimum 2 previous years from the last 10 previous Years preceding the current Previous Year" hence is satisfied.

⇒ From Previous Year 2022-23 to Previous year 2016-17 Dr. Anand has stayed in India for 1104 Days. Therefore the condition "Residing for minimum 730 days in the last 7 Previous Years preceding the current Previous Year" is satisfied.  
1104 Days being greater than 730 Days

Conclusion:

Dr. Anand is an Ordinary Resident of India.