

ANSWER SCRIPT



Manipal Academy Of Higher Education

Department of Commerce

**Student Name:** DEESHNA HEMARAJU AMIN .  
**Roll Number:** 212621022  
**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

17.00
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	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

Computation on Output Tax

Particulars	IGST	CGST	SGST
GST on supply of goods [30,000 x 6 %]		1800	1800
Output Tax	—	1800	1800

Computation on Input Tax

Particulars	IGST	CGST	SGST
GST on purchase of goods [22000 x 12 %]	2640	—	—
Input Tax	2640	—	—

Computation on GST payable

	IGST	CGST	SGST
Output	—	1800	1800
IGST input	—	(1800)	840
CGST input	—	—	—
SGST input	—	—	—
	—	—	960

∴ GST payable will be SGST 960

Particulars	Amount (₹)
Sales Consideration [5000 x 500]	25,00,000
Less: Cost of Acquisition [5000 x 425]	21,25,000
Income on Long Term Capital Gain	3,75,000
Income on sales of residential property	
Sales Consideration	25,00,000
Less: Cost of Acquisition	10,50,000
Profit on sale	14,50,000
Less: exemption under section 54 $\left(10,50,000 \times \frac{317}{254}\right)$	13,10,433
Taxability on capital gains	1,39,567



Let's assume that Raju works in Kolkata .

Particulars	Condition A (₹)	Condition B (₹)	Condition C (₹)
Basic [42000 × 12]	5,04,000	5,04,000	5,04,000
DA [17000 × 12]	2,04,000	2,04,000	2,04,000
CCA [2000 × 12]	24,000	24,000	24,000
Other Allowances [8000 × 12]	96,000	96,000	96,000
HRA	96,000	96,000	0
GROSS SALARY	9,24,000	9,24,000	8,28,000
Less : under section 10			
Exempt HRA [least of the following]			
a) Actual HRA 96000			
b) Rent paid - 10% of salary 108000 - 70800 ⇒ 37200			
c) 50% of salary 354000	37200	0 [WN 1]	—
NET SALARY	8,86,800	9,24,000	8,28,000
Less: Deductions under section 80GG (least of the following)			
a) 5000 per month 60000			
b) Rent paid - 10% of salary 108000 - 70800 37200			
c) 25% of salary 177000	—	—	37200
Total Taxable Income	8,86,800	9,24,000	7,90,800

Working note 1

Less : under section 10

Exempt HRA [least of the following]

a) Actual HRA 96000

b) Rent paid - 10% of salary 0

c) 50% of salary 354000



$$\text{Gratuity} = \text{Average of 10 month salary} \times \frac{15}{26} \times \text{number of years of service}$$

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

$$\text{Taxable Gratuity} = 17,00,000 - 12,00,000$$

$$= \underline{\underline{\text{₹ } 5,00,000}}$$

Months	Number of Days
April	13
May	31
June	30
July	31
August	29
September	0
October	0
November	3
December	25
January	31
February	9
March	23
Total	225 days

[Leaves on 10<sup>th</sup> April and returns 27<sup>th</sup> April]

[Returns on 7<sup>th</sup> December]

Dr Anand satisfies condition A, that says a person who stay greater than or equal to 182 days will be the resident.

Hence, Dr Anand is a resident.

Computation on ordinary citizen

PY	condition A	condition B
2022 - 23	X	✓✓
2021 - 22	X	✓✓

Condition C is satisfied, as it mention if the person is the resident for two PY's in the last 10 PY's

According to condition D, if the person who is a resident stayed in India for 730 days in the last 7 P.Y's,

$$\text{that is, } 178 + 165 + 192 + 143 + 121 + 146 + 159 = 1104 \text{ days.}$$

Dr Anand satisfies condition C & D

Therefore, Dr Anand is an ordinary citizen.