

# Question Paper

Exam Date & Time: 16-Oct-2023 (09:30 AM - 11:00 AM)



## MANIPAL ACADEMY OF HIGHER EDUCATION

### BUSINESS TAXATION [BBAC 3501]

Marks: 20

Duration: 90 mins.

#### A

Answer all the questions.

Pick the right option

- 1) What does N stand for in HSN? (1)  
[Network](#) [Nationalization](#) [Nomenclature](#) [Nomination](#)
- 2) GST is applicable on: (1)  
[Petrol](#) [Alcoholic Liquor for human consumption](#) [Tobacco](#) [Natural Gas](#) [Natural Gas](#)
- 3) 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? (1)  
[Rs. 5.00](#) [Rs. 6.25](#) [Rs. 10.00](#) [Rs. 12.50](#)
- 4) According to the Securities Contract Act of 1956, securities transaction tax is not applicable for the following types of securities. (1)  
[Equity Mutual Funds](#) [Shares, stocks, bonds and debentures](#) [Commodity transactions](#) [Securitized Debt instruments](#)
- 5) 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? (1)  
[Nil](#) [Rs. 1,500](#) [Rs. 2,000](#) [Rs. 3,000](#)

#### B

Answer all the questions.

Kindly provide working notes in the answer section itself

- 6) Imag, an advertising agency located in Mumbai provides advertising services to Fragrance Ltd., a company manufacturing soap also located in Mumbai, for a value of Rs.15,000. Fragrance Ltd. sells its soap to Mr.B, a wholesaler in Karnataka for a value of 22,000. Mr. B sells it to Mr. C at a value of 30,000. Rate of CGST and SGST is 6% and IGST is 12%. Compute the value of GST Payable by Mr B to Government along with the working notes? (2.5)
- 7) Examine the taxability of capital gains in the following scenarios for the Assessment Year 2022-2023 and determine the total income and tax payable by Mr. Rakshith Bhandary: (2.5)  
(i) On 20th December, 2021, 5,000 shares of AB Ltd., a listed company were sold @ Rs. 500 per share. Securities Transaction Tax was paid at the time of sale of shares. These shares were acquired by him on 5th June, 2017 @ Rs. 425 per share by paying Securities Transaction Tax at the time of purchase. On 31st January, 2018, the shares of AB Ltd. were traded on a recognized stock exchange at the Fair Market Value of Rs. 450 per share.  
(ii) Mr. Rakshith also sold the residential house on 14th October, 2021 for Rs. 25,00,000, which was purchased on 1st July, 2015 for Rs. 10,50,000. The Valuation as per stamp valuation authorities was Rs. 15,00,000.  
The Cost Inflation index is given below:  
F.Y. 2015-16 254  
F.Y. 2021-22 317
- 8) Rajveer, works in a private organization, his Basic is Rs 42,000 pm, DA Rs 17,000 pm, (2.5)  
CCA Rs 2,000 pm, Other allowances Rs 8,000 pm.  
Calculate his Exempt HRA and Total Taxable Income if  
a. HRA received is Rs 8,000 pm and Rent paid is Rs 9,000 pm.  
b. HRA received is Rs 8,000 pm and he stays in his own accommodation.  
c. HRA received is NIL, and rent paid is Rs 9,000 pm.
- 9) Anil worked for I & T Ltd as a Sr. Engineer for 31 years and 6 months and retired from services as on 1st October (2.5)

Mr. X, worked for Ltd. as a Sr. Engineer for 37 years and 6 months and retired from service as Sr. on 1st October, 2023. He was paid a gratuity of Rs 17 lakhs on retirement. His monthly emoluments include Basic Rs 42,000pm, DA Rs 23,000pm, CCA Rs 5,000pm, HRA Rs 11,000 pm, Bonus Rs 50,000 pa. Calculate his Exempt gratuity and Taxable Gratuity.

**C**

**Answer all the questions.**

Provide Detailed working notes in the answer section

- 10) Dr. Anand, a citizen of India, travels to Singapore for personal reasons on 10th April 2023 for 18 days and returns. He travels to Egypt and Nairobi for business purposes on 30th Aug 2023 and returns to India on 25th Nov 2023. He again to US as a physiotherapist accompanying the Indian cricket team on 28th Nov 2023 for a 10 days tour. He leaves India on 10th Feb 2024 to attend a conference in the UK and returns on 9th March 2024. Compute his residential status if the following details are also provided. (5)

↓ (5 marks)

<u>PY</u>	No. of days in India	PY	No. of days in India	PY	No. of days in India
2022-23	178	2018-19	121	2014-15	87
2021-22	165	2017-18	146	2013-14	32
2020-21	192	2016-17	159		
2019-20	143	2015-16	134		

-----End-----