



V Semester B.B.A. Examination, February/March 2024  
(NEP) (Freshers)

**BUSINESS ADMINISTRATION**

**5.2 : Income Tax – I**

Time : 2½ Hours

Max. Marks : 60

**Instruction :** Answer should be written in **English** only.

**SECTION – A**

Answer **any six** sub-questions. **Each** sub-question carries **2** marks. **(6×2=12)**

1. a) Mention the types of taxes with examples.
- b) Mention any four canons of taxation.
- c) What do you mean by previous year ?
- d) What do you mean by agricultural income ?
- e) Define salary.
- f) Mention any four contributions u/s 80 C.
- g) Mention the deductions u/s 24 in income from house property.
- h) Expand ITR and mention its types.

**SECTION – B**

Answer **any three** questions. **Each** question carries **four** marks. **(3×4=12)**

2. State whether the following are agricultural or non-agricultural income.
  - a) Income from interest on arrears of rent payable in respect of land used for agricultural purposes.
  - b) Income from agricultural land situated in Australia.
  - c) Income from lease of land for grazing of cattle required for agricultural pursuits.
  - d) Income from poultry farming.
3. Mr. Rama went to England for studies on 5<sup>th</sup> Aug. 2022, and came back to India on 25-02-2023. He had never been out of India before. What is his residential status for the Assessment Year 2023-24 ?
4. Mr. Vishnu (resident), an employee of SRM Ltd., retires from service on 16<sup>th</sup> January 2023 after serving for 36 years and 7 months. He received ₹ 9,70,000 as gratuity under the Gratuity Act 1972. At the time of retirement, his basic salary was ₹ 23,000 P.M. and D.A. was ₹ 4,000 P.M. Calculate the taxable amount of gratuity.



5. Compute the amount of Net Annual Value from the following information.
- a) Municipal rental value ₹ 50,000
  - b) Fair rental value ₹ 90,000
  - c) Let out ₹ 8,000 P.M.
  - d) Standard rental value ₹ 60,000
  - e) Municipal tax paid in the previous year
    - \* 2021-22 ₹ 10,000
    - \* 2022-23 ₹ 10,000
6. Mr. Srinivas submitted his particulars of income and payments for the previous year 2022-23. Compute his taxable income and tax liability for the assessment year 2023-24 in old regime.
- a) Income from salary (computed) ₹ 5,74,400.
  - b) Income from house property (computed) ₹ 18,300.
  - c) Loss from SOP (Self Occupied Property) ₹ 3,400.
  - d) Income from other source ₹ 52,970 (computed).
  - e) Savings u/s 80 C ₹ 1,12,000.
  - f) Medical insurance premium u/s 80 D ₹ 16,000.
  - g) Interest on loan taken for higher education u/s 80 E.
  - h) Tax deducted at source from salary ₹ 20,000.

### SECTION – C

Answer **any 3** questions. **Each** question carries **twelve** marks. **(3×12=36)**

7. From the following particulars of Mr. Manjunath, compute his gross total income for the assessment year 2023-24, if he is
- a) Ordinary resident
  - b) Not ordinary resident
  - c) Non Resident.
- a) Received ₹ 20,000 in India which accrued in England.
  - b) ₹ 10,000 earned in India, but received in England.
  - c) ₹ 50,000 were earned and received in Africa but brought to India.
  - d) ₹ 10,000 were earned and received in Japan from a business which was controlled and managed in Japan.
  - e) ₹ 16,000 were untaxed foreign income of some earlier years, which was brought to India in the previous year.
  - f) Interest on SBI deposit received in Bhutan ₹ 7,000.
  - g) Interest on post office savings bank A/c ₹ 2,000.





- h) Income from agriculture in Nepal ₹ 10,000.
- i) Dividend received from a foreign company outside India ₹ 60,000.
- j) Income from business in Tokyo ₹ 1,00,000 (25% received in India).
- k) Gift received from brother ₹ 25,000.
- l) Salary from an Indian company received in New York ₹ 75,000.

8. Mrs. Sushmitha is the Manager of a private company in Bangalore. She has furnished the following details of her income for the year ended 31-03-2023.

- a) Basic salary ₹ 21,000 P.M.
- b) Bonus equal to 2 months basic salary.
- c) Commission is 3% of sales. During the year she reached a sales target of ₹ 5,00,000.
- d) Dearness allowance forming part of salary ₹ 7,000 P.M. (entered into retirement benefits).
- e) Medical allowance ₹ 1,400 P.M.
- f) Entertainment allowance ₹ 3,000 P.M.
- g) Children hostel allowance for her 2 children at ₹ 500 P.M. per child.
- h) Own and employer contribution towards RPF at 14%.
- i) Interest on RPF at 11% p.a. ₹ 44,000.
- j) She has been provided rent free accommodation at Bangalore whose FRV is ₹ 10,000 and cost of furniture is ₹ 60,000.
- k) She paid professional tax ₹ 2,400.

Compute taxable income from salary for the assessment year 2023-24.

9. Mr. Santosh is working as manager in Mumbai. He received the following incomes for the P.Y. 2022-23.

- a) Basic salary ₹ 15,000 P.M.
- b) D.A. ₹ 5,000 P.M. (given under the terms of employment)
- c) Entertainment allowances ₹ 1,000 P.M.
- d) Medical allowance ₹ 500 P.M. (Actual medical expenses incurred ₹ 7,500).
- e) HRA ₹ 4,000 P.M. (Rent paid for the house ₹ 5,000 P.M.)
- f) Company provided small car with driver and the expenses are met by the company.
- g) He and his employer contributes 14% of salary towards R.P.F.
- h) Interest on R.P.F. is ₹ 7,500 at 12.5% p.a.
- i) Free gas, water and electricity provided by the company ₹ 15,000.
- j) Services of domestic servants paid by the company as Watchman ₹ 1,500 P.M., Gardener ₹ 1,500 P.M., Sweeper ₹ 1,500 P.M., Cook ₹ 1,800 P.M.
- k) Children education allowance ₹ 4,000 per child P.M. for 2 children.
- l) Membership fees of Mr. Santosh was paid by the company ₹ 1,000.

Compute the taxable income from salary of Mr. Santosh for the A.Y. 2023-24.



10. Mr. Shankar is the owner of 3 house properties in Bengaluru and has let out all the houses throughout the year

| Particulars                | H.A<br>₹    | H.B<br>₹ | H.C<br>₹    |
|----------------------------|-------------|----------|-------------|
| Fair rental value          | 1,80,000    | 1,50,000 | 1,20,000    |
| Municipal rental value     | 1,50,000    | 2,00,000 | 1,00,000    |
| Letout per month           | 20,000      | 15,000   | 25,000      |
| Use by tenant              | Residential | Office   | Residential |
| Repair charges             | 10,000      | —        | 40,000      |
| Collection charges         | 20,000      | 5,000    | —           |
| Interest on loan :         |             |          |             |
| a) For construction        | 1,00,000    | —        | —           |
| b) For daughter's marriage | —           | 60,000   | —           |
| c) For repairs             | —           | —        | 10,000      |

Municipal tax is 10% of municipal value. Municipal tax of House 'A' was paid by owner but municipal tax of House 'B' was not paid upto 31-03-2022 and municipal tax of House 'C' was paid by tenant. House 'C' remained vacant for 2 months during the previous year. Unrealized rent of House 'A' was ₹ 20,000. Unrealized rent recovered for House 'C' which was allowed during earlier years ₹ 25,000.

Compute income from house property for the AY : 2023-24.

11. From the following information compute taxable income and tax liability of Mrs. Muskan using old regime of tax slabrate.
- 1) Basic salary ₹ 37,500 P.M.
  - 2) D.A. ₹ 20,000 P.M.
  - 3) Professional tax paid by Mrs. Muskan ₹ 2,500.
  - 4) Gross annual value house property ₹ 1,80,000.
  - 5) Municipal tax paid by Mrs. Muskan ₹ 18,000.
  - 6) Interest on loan taken for construction of house property ₹ 14,625.
  - 7) Income from profession (Computed) ₹ 50,000.
  - 8) LIC premium paid ₹ 25,000.
  - 9) Medical insurance premium paid through cheque ₹ 15,000.