



POORNIMA UNIVERSITY, JAIPUR.
MID SEMESTER EXAMINATION 2020-21 (ODD Semester)

School : School of Management and Commerce
Course : II Year III SEM – BBA (All SPL)
Subject Name : Business Taxation 1
Subject Code : BBX03103_BBB03103_BBC03103

Max. Time: 1.5 hrs.

Max. Marks: 12

NOTE:- Attempt four questions. There is internal choice in Q. 1 & 2, Q. 3 & 4, Q. 5 & 6 & Q. 7 & 8.

Sec-A (CO 3) (Max. Marks-6)			Marks
Q.1	(a)	If House remained vacant throughout the year, Than how the Assessee calculate income from house property? Explain the provisions as per Income Tax Act, 1961.	(3)
	(b)	Ownership itself is the criteria for assessment under the head of income from house property. Discuss.	(3)
OR			
Q.2		Mr Vikas owns a house property whose municipal value, fair rent and standard rent are Rs 96,000, Rs 1,26,000 and Rs 1,08,000 (per annum) respectively. During FY 2019-20, one-third of the portion of the house was let out for residential purpose at a monthly rent of Rs 5,000. The remaining two-third portion was self-occupied by him. Municipal taxes @ 11% of municipal value were paid during the year. The construction of house began in June 2013 and was completed on 31.05.2015. Vikas took a loan of Rs 1,00,000 on 01.07.2012 for construction of building. He paid interest on loan @ 12% p.a. and every month such interest was paid. Compute income from house property of Mr Vikas for AY 2020-21.	(6)
Q.3	(a)	A Cinema building was constructed at a cost of rs. 60,00,000 as on 1 st Oct., 2019 and on 10 th Oct., 2019 a projector of rs. 10,00,000 and furniture of rs. 7,00,000 was established to operate cinema. Rs. 10,00,000 out of building construction cost and rs. 2,00,000 out of purchases of furniture are paid in cash according to terms of purchases. Find out allowable depreciation and additional depreciation for the A.Y. 2020-21.	(4)
	(b)	Mention Provisions to charge depreciation for electricity supplying and generating companies?	(2)
OR			
Q.4	(a)	Specify the expenses and losses which are expressly disallowed in computing income from business.	(3)
	(b)	Weighted deduction is allowed in computing the taxable profits of business. Explain it in brief and write the name of any two payments in respect of it.	(3)
Sec-B (CO 4) (Max. Marks-6)			
Q.5	(a)	Write in brief the provisions of section 54 in relation to capital gains to be exempted.	(3)
	(b)	Explain how we calculation Long term capital gain with a suitable example.	(3)
OR			
Q.6	(a)	How is cost of bonus shares determined, if these shares were allotted to the Assessee before 1.2.2018?	(2)
	(b)	R entered into an agreement with G for the sale of his property and received earnest money of Rs. 1,00,000 on 1-4-19. The balance of Rs. 4,00,000 was to be paid within 3 months, failing to which R was entitled to a compensation of Rs. 50,000. The earnest money was also liable to be forfeited. G defaulted in the payment of the business within the time specified and, therefore, the earnest money was forfeited. A suit was also filed for breach of contract and Rs. 50,000 was awarded, which was received on 24-3-2020. Discuss the nature of the two receipts from the point of view of liability to tax.	(4)
Q.7	(a)	As per the Income-tax Law, gain arising on transfer of capital asset is charged to tax under the head "Capital gains". What constitutes 'transfer' as per Income-tax Law?	(4)
	(b)	Why capital gains are classified as short-term and long-term?	(2)
OR			
Q.8	(a)	Give any four examples of such transactions, which are not regarded as transfer.	(2)
	(b)	Write a short notes on: (i) Indexed Cost of Acquisition (ii) Indexed Cost of Improvement.	(2x2)