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- Q.6 Write a short note any two:
- i. Long term capital gain
  - ii. Short term capital gain
  - iii. Income from other source (any five)

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5  
5

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Total No. of Questions: 6

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Enrollment No.....



Faculty of Management Studies  
End Sem Examination May-2024  
MS3CO12 Business Taxation

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. Person under income tax: 1  
(a) Individual (b) Company (c) Firm (d) All of these
- ii. Sum of various heads of income is called: 1  
(a) Taxable income (b) Total income  
(c) Gross total income (d) Adjusted income
- iii. Education allowance is exempted for how many children- 1  
(a) One (b) Four (c) Two (d) No Limit
- iv. An employee will be specified if- 1  
(a) Salary is more than Rs. 50000 per annum  
(b) Salary is more than Rs. 50000 per month  
(c) Upper grade officer  
(d) Government employee
- v. Income computed in the head of income from house property- 1  
(a) Let out property  
(b) Self residential house  
(c) House let out for residential purpose  
(d) All of these
- vi. Annual value of self-occupied house is- 1  
(a) Municipal valuation (b) Fair rent  
(c) Nil (d) Actual rent
- vii. Business or profession Income includes- 1  
(a) Trading income (b) Industry income  
(c) Professional income (d) All of these
- viii. Allowed depreciation rate on computer is- 1  
(a) 5% (b) 40% (c) 45% (d) 20%

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- ix. Income from other source: **1**  
 (a) Bank interest (b) Royalty  
 (c) Director fees (d) All of these
- x. Capital Assets are: **1**  
 (a) Short term (b) Long term  
 (c) Both (a) and (b) (d) None of these
- Q.2 i. What is Previous Year? **2**  
 ii. Explain the various types of 'Persons' from Income Tax point of view. **8**
- OR iii. The following are the incomes of Dr Tanay Joshi for the previous year 2022-23: **8**  
 (a) Profit from Business in Netherlands received in India Rs 6,00,000  
 (b) Taxable income from house property in Russia Received in India Rs 1,30,000  
 (c) Income from house property in Oman deposited there in a Bank Rs 2,47,500  
 (d) Income accrued in India but Received in New York Rs 10000  
 (e) Profit earned from business in Ujjain (Controlled by Qatar H.O.) Rs 75,000  
 (f) Agricultural Income in India Rs 25,500  
 (g) Income from Agricultural in USA Rs 38,000  
 (h) Past Untaxed foreign Income brought into India during the previous year Rs 27,500  
 From the above particulars ascertain the taxable income of Dr Tanay Joshi for the previous year 2022-23  
 If he is-  
 (a) Ordinarily resident (b) Not ordinarily resident  
 (c) Non-resident
- Q.3 i. What do you mean by Perquisites? **2**  
 ii. Explain any eight allowances which are fully taxable under the head of salary. **8**
- OR iii. From the given information calculate taxable salary income for Assessment year 2023-24: **8**  
 Basic salary Rs.35000 per month  
 Dearness allowance 30% of basic salary  
 Medical allowance Rs.24000 per year

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- Education allowance Rs.12000 per year for three children  
 Hostel allowance Rs.20000 per year for three children
- Q.4 i. Explain the term fair rent of the house. **2**  
 ii. Define annual value and describe the allowed deductions which are deducted from annual value for the Computation of income from house property. **8**
- OR iii. Mr Ajay has a property whose municipal valuation is Rs 1,30,000 p.a. The fair rent is Rs 1,10,000 p.a. and the standard rent fixed by the rent Control Act is Rs 1,20,000 p.a. The property was let out for a rent of Rs 11,000 p.m. throughout the previous year. Unrealised rent was Rs 11,000 and all condition proscribed by Rule 4 are satisfied. He paid municipal Taxes @ 10% of municipal Valuation. Interest on borrowed Capital was Rs 40,000 for the year. Compute the income from house property of Mr. X for the A.Y. 2023-24. **8**
- Q.5 i. Discuss the Provisions regarding Income Tax Act. **2**  
 ii. Explain in detail any eight general expenses which are allowed expenses for calculating income from business or profession. **8**
- OR iii. Profit and loss account of Mr Anil Ambani show net profit Rs 448000 after debiting following items- **8**  
 (a) Income tax paid Rs 15,000 and income tax procedure expenses Rs 2,100  
 (b) Interest on loan taken for payment of income tax Rs 5000  
 (c) GST Rs 22000, penalty interest Rs 1000 for delay in payment of GST, penalty for GST evasion Rs 5000  
 (d) Cash payment to a creditor 'Manoj' Rs 19000 on 15th October 2021 in two parts Rs 10000 in 9000 respectively and to 'Vijay' Rs 15,400 (on 25th January 2022 Rs 5,400 and on, 29th January 2022 Rs 10,000).  
 (e) Municipal tax Rs 1800 the 1/3 portion of the house is used for business and half portion is used for self-residence and the remaining portion is let out.  
 Depreciation on business assets regarding the previous year 2022-2023 is allowed for Rs.22,700 according to section 32 of income tax act was not recorded in the books. Find out taxable income from business.

Scheme of Marking  
END SEM Examination May, 2024  
MS3C012 Business Taxation.  
Prepared By :- Prof. Navin Sharma.  
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Q.1 MCQs.

- (i) All of these (a)
- (ii) Gross Total Income (c)
- (iii) Two (c)
- (iv) Salary is more than ₹ 50,000 per annum (a)
- (v) All of these (d)
- (vi) NIL (c)
- (vii) All of these (d)
- (viii) 40% (b)
- (ix) All of these (d)
- (x) Both (a) and (b)

Q.2

(i) Definition as per sec. 3 2 Marks.

(ii) All types of person as per sec. 2(31) (Mark-1 each)

(iii) Computation of Gross Total Income for the A.Y. 2023-24

Particulars.	Ordinarily Resident	Not Ordinarily Resident	Non Resident
	₹	₹	₹
1. Profit from business Rec. in India	6,00,000	6,00,000	6,00,000
2. House income Rec. in India	130000	130000	130000
3. Oman House	247500	Not taxable	Not taxable
4. Income accrued in India	10,000	10,000	10,000
5. Business income in Ujjain	75,000	75,000	75,000
6. Agricultural in India	Exempt	Exempt	Exempt
7. Agricultural in U.S.A.	<del>25000</del> 38000	Not taxable	Not Taxable

8. Past Unpaid foreign income

Not taxable

Not taxable

Not taxable

Gross Total income 11,00,500

815,000

815,000

Q.3

(i) Definition ~~exclusion~~ of facilities. (2 marks)

(ii) 8 Taxable allowance (1x8) = 8

(iii) Computation of income from salary for the A.Y. 2023-24

Basic Salary ( $35,000 \times 12$ )

₹ Marks

4,20,000 .5

D.A 30% of 4,20,000

1,26,000 1

Medical Allowance

24,000 .5

Education Allowance

12,000

less! Exempt ( $100 \times 2 \times 12$ )

- 2,400

9,600 1

Hostel Allowance

20,000

less! Exempt ( $300 \times 2 \times 12$ )

- 7,200

12,800 1

Gross salary

5,92,400 .5

less! S.D u/s 16(i)

- 50,000 1

Income from salary

5,42,400 .5

Q.4

(i) as per Income tax act, 1961 (2 marks)

(ii) Definition of Annual value as per sec. 23(1) and Deduction (2 marks)

MT — 2 marks

S.D — 1 mark

Int. m Loan — 3

(iii)



# Computation of income from House property for the A.Y. 2023-24

Actual Rent (11000x12) 132000

Or

Standard Rent 120000

(Which ever is more) —————

132000 — (2 marks)

less! - Unrealised Rent

(11000) — (1 mark)

G.A.V.

121000

less! - M.T @ 10% of M.V.

(13000) — (2 marks)

NAV

108000

less! - Deduction u/s 24

(a) S.D @ 30% NAV

(32400) (1 mark)

(b) Int. on Loan

(40,000) — (1 mark)

Income from House Property

35,600 (1 mark)

Q.5

(i) Taxability of income, Annual information and financial transaction statement, Assessing tax authorities, Undertaking transaction mode and instruction to subordinate authorities.

(ii) Allowed Expenses as per u/s 37 (1x8) (8 marks)

(iii)

Computation of income from business  
for the A.Y. 2023-24

Net Profit as per P&L A/c

₹

₹

448000

Add! Disallowed Expenses :-

Income tax Paid

15000

Int. on Loan for Payment  
of income tax

5,000

GST evasion

Cash payment to Manoj

M.T 1800 x 2/3

5000

19000

1200

45200  
493,200

less:- Expenses allowed u/s 37 but not  
shown in P&L A/c —  
Dep. on assets.

(22700) (22700)  
470500

less:- Income not taxable under  
business head —

NIL

Income from Business

470500

Q.6

- (i) Definition as per sec. 45 of Income tax Act, 1961  
with formula to calculate LTCG or
- (ii) Definition as per sec. 45 of Income tax Act 1961  
and tax percentage
- (iii) Source of income (1 mark each) (1x5) 5 marks.