



V Semester B.B.A. Examination, January/February 2025

(NEP) (Freshers/Repeaters)  
BUSINESS ADMINISTRATION

5.2 : Income Tax – I

Time : 2½ Hours

Max. Marks : 60

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

SECTION – A

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

1. a) Define Tax.
- b) Give the meaning of foreign income.
- c) Mention the different types of provident fund.
- d) Who is a specified employee ?
- e) What is unrealised rent ?
- f) Mention any four savings eligible for deduction U/s 80C.
- g) Give the meaning of Advance Tax.
- h) What do you mean by allowance ?

SECTION – B

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

2. Explain any four cannons of tax.
3. State whether the following are agricultural or non-agricultural income.
  - a) Income derived from land used as stone quarries.
  - b) Income from sale of forest trees of spontaneous growth.
  - c) Remuneration received as manager of an agricultural firm.
  - d) Income from agricultural land situated in Assam.
4. Mr. Ramesh comes to India for the first time on 1-10-2023, on 1-10-2023 he joins ITC Ltd. and on 15-10-23 he starts a wholesale merchant business. Determine the Residential Status of Mr. Ramesh for the assessment year 2024-25.

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5. Mrs. Sathya retired from service on 31-3-2023 her pension was fixed at ₹ 8,000 per month. She commutes  $\frac{3}{4}$ <sup>th</sup> of her pension and received ₹ 7,20,000 in the previous year 2023-24. Find out the taxable amount of commuted pension, if she was a non-government employee and receives gratuity.
6. Calculate Gross Annual Value of Mr. Vijay from the following particulars.
- a) Rent received ₹ 8,500 p.m.
  - b) Municipal value ₹ 65,000 p.a.
  - c) Fair rental value ₹ 69,000
  - d) Standard rent ₹ 55,000

During the previous year 2023-24, he couldn't realised rent for one month and house also remained vacant for 3 months.

### SECTION – C

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

7. Compute gross total income of Mr. Anand for the assessment year 2024-25. If he is a) Ordinary resident, b) Not ordinary resident, c) Non-Resident.
- a) Income from business in Chennai ₹ 1,00,000.
  - b) Profit from business in London controlled from India ₹ 60,000.
  - c) Dividend received from domestic co., ₹ 5,000.
  - d) Agricultural income earned in Bhubaneshwar ₹ 25,000.
  - e) Salary income received in India for services rendered in USA ₹ 70,000.
  - f) Gift from father in cash ₹ 30,000.
  - g) Past untaxed foreign income brought to India ₹ 60,000.
  - h) Income from agricultural land in Sri Lanka (50% received in India ) ₹ 2,05,000.
  - i) Income from house property in Mysuru ₹ 1,00,000.
  - j) Commission received in India for services given in Nepal ₹ 10,000.
  - k) Profit from sale of building in India ₹ 2,50,000.





8. Smt. Radha an employee of a private company received the following incomes during the year ending 31-3-2024.

- Basic salary upto 31-08-2023 ₹ 15,000 p.m. and there afterwards ₹ 18,000 p.m.
- Dearness pay ₹ 20,000 p.a.
- Dearness allowance ₹ 12,000 p.a. (Does not enters).
- Reimbursement of medical expenses ₹ 7,500 (treatment was taken in private hospital).
- Smt. Radha has been provided with rent free flat at Delhi (Rent paid by the Company ₹ 80,000 p.a.).
- Facility of watchman and cook provided, each of whom is paid ₹ 500 p.m. as salary.
- Interest free loan for purchasing home appliances ₹ 1,20,000 (lending rate for similar loan is 12% p.a.).

Determine salary income of Smt. Radha, for the assessment year 2024-25, assuming that she paid ₹ 200 p.m. as professional tax.

9. Mr. Xavier is the owner of the following houses in Bangalore and the particulars of which are relating to the previous year 2023-24.

	House A (₹)	House B (₹)	House C (₹)
a) Municipal value	1,20,000	1,32,000	1,44,000
b) Fair rental value	1,50,000	1,60,000	1,75,000
c) Standard rent	1,44,000	1,50,000	1,60,000
d) Nature of use	Let out for residence	Let out for business	SOP
e) Rent received p.m.	15,000	18,000	—
f) Municipal tax paid by owner	12,000	13,200	14,400
g) Cost of repairs	8,000	10,000	—
h) Interest on loan for construction	45,000	60,000	2,00,000
i) Unrealised rent	12,000	18,000	—
j) Vacancy period (month)	2	2	—

Compute Taxable Income from house property for the assessment year 2024-25.



10. Mr. Mohammed is the owner of a house property in Chennai. Completely let out for residential purpose and received ₹ 15,000 p.m. as rent. The municipal value of the house is ₹ 1,50,000. The rate of municipal tax is 10% which was paid by assessee.

The other particulars of the house are as under :

- a) The construction of the house was completed on 10-10-2020.
- b) A loan of ₹ 1,00,000 was taken on 1-4-2018 at 12% p.a.
- c) The house was vacant for 2 months during the previous year 2023-24.
- d) The loan was fully repaid on 31-12-2022.

Determine the income from house property of Mr. Mohammed for the assessment year 2024-25.

11. The following particulars are supplied by Mr. Y for the previous year 2023-24. Compute taxable income and tax liability.
- a) Basic salary ₹ 80,000
  - b) Commission based on turnover ₹ 10,000
  - c) Bonus ₹ 20,000
  - d) Employer contribution to RPF is 15% of salary
  - e) Interest on RPF is @ 14% ₹ 15,000
  - f) Income from business ₹ 15,000
  - g) Education loan took for his son ₹ 1,00,000 @ 10% rate of interest
  - h) Income from let out house property ₹ 20,000
  - i) LIC premium paid ₹ 15,000.
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