

B.B.A.(with Credits)-Regular-Semester 2012 Sem V
BBA345 - Income Tax

P. Pages : 4

Time : Three Hours



GUG/S/18/2933

Max. Marks : 80

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) Explain the salient features of Income. 8
b) What is Gross Total Income & Total Income. 8

OR

- c) Define previous year and assessment year. 8
d) Show the deduction under section VI-A 80C and 80D. 8
2. a) A salaried employee has the following income for the period 1/4/2016 to 31/3/2017 and he requires you to compute his taxable salary : 8
i) Basic pay ₹ 1,44,000 p.a.
ii) Dearness allowance ₹ 1,44,000 (not forming part of salary)
iii) Educational allowance for three children @ ₹ 4,800 p.a.
iv) He has been given rent free accommodation for which the rent paid by employer is ₹ 20,000 p.a.
v) He is also provided with a watchman, watchman is engaged by the employee by paying ₹ 1000 p.m. which is reimbursed by the employer.
vi) Conveyance allowance ₹ 6,000 p.a. It is certified that the entire allowance is spent for official duties.
- b) The following are the particulars of salary income of Ramesh who is employed in a company at Mumbai. 8
i) Salary @ ₹ 42,000 p.m.
ii) D.A. @ 50% of salary (not forming part of salary)
iii) City compensatory allowance @ 1,500 p.m.
iv) HRA ₹ 12,000 p.m. and he pays rent of 18,000 p.m.
v) He is contributing ₹ 5,000 p.m. towards R.P.F. The employer is also contributing the same amount.
vi) During the year he paid ₹ 2,500 as professional tax.
vii) He owns a car which he is using for official and personal use.
Calculate his taxable salary.

OR

- c) Shri. Mohan is working in Vidharbha Cotton Mills, Nagpur. He gets a basic pay of ₹ 37,000 p.m., dearness allowance ₹ 25,000 p.m. I entertainment allowance ₹ 3,500 p.m. and education allowance ₹ 350 p.m. for a child. He has been provided with a rent free house by the mills, the fair rent of which is ₹ 1,20,000 p.a. The mills also provides him with the facility of free use of furniture costing ₹ 60,000 and a refrigerator costing ₹ 28,000. 16

The mill has provided him with two small cars, the expenses of which are borne by the mills. The car are also used partly for private purposes. The salary of the drivers is paid by the Mill. Other information relating to the cars is :

Cost of each car ₹ 6,00,000

Salary to each driver ₹ 5,000 p.m.

Expenses - Ist car ₹ 70,000 and IInd Car ₹ 50,000, ₹ 15,000 for medical expenses of family members for treatment in a private hospital were reimbursed by the mill. The company has provided the amenity of free lunch and free refreshment in office. The cost of which is ₹ 60 and ₹ 20 per day respectively for 250 days.

He as well as the company contributes 14% of full basic pay and half of the dearness allowance towards a recognized provident fund.

Compute Shri. Mohan's salary income for the assessment year 2017-18.

3. a) Mr. Kulkarni owns two buildings in Mumbai City. Details relating to the properties are given below : 8

Building I (own use)

Annual Rental value 2,90,000

Taxes paid 56,000

Repairs actual 80,000

Building II

Rent collected for 12 months @ 14,000 p.m. 1,68,000

Taxes paid 22,000

Interest paid on Mortgage loan on building 15,000

The mortgage loan was ₹ 2,00,000

and it was used as follows :

Remodelling Building No. II for getting a higher rent 50,000

You are required to work out the income from house property of Mr. Kulkarni for the Assessment year 2017-18.

- b) Mr. Udit owns a big house whose Municipal valuation is 1,44,000 p.a. 1/3 portion of the house is let out to a tenant at ₹ 6,400 p.m. for residential purposes and remaining 2/3 portion is occupied by him for his own residence. The construction of this house started in June 2014 and was completed on 1st Nov. 2016. 8

The house is subject to local taxes of ₹ 14,400 p.a. which are unpaid. The other expenses in respect of this house are follows :

Insurance premium ₹ 2,400

Property tax to state Govt. ₹ 2,880

Mr. Udit had taken a loan of ₹ 2,00,000

On 1st July 2014 for the construction of this house. The loan had yet been paid back and an interest @ 12% p.a. is payable on it. Find out income from H.P. for the A.Y. 2017-18.

OR

- c) Mr. Gautam constructed one house in 1991 50% of the property is let out and 50% is occupied for his residence. The particular are :

8

	₹
Municipal value of full house	2,40,000 p.a.
Annual rent of 50% portion	12,000 p.m.
Municipal taxes paid	40,000
Ground rent due	6,000
Repairs	10,000
Fire Insurance premium	4,000
Collection charges	3,000
Interest on loan taken for construction	60,000

Determine his income from house property for assessment year 2017-18.

- d) Mr. Ghosh owned two houses for the A.Y. 2017-18 details relating to the property are given below :

8

	House I ₹	House II ₹
Fair Rent	70,000	64,000
Rent Received	76,000	70,000
Municipal valuation	72,000	70,000
Municipal Taxes paid	8,000	10,000
Repairs	1,000	1,400
Insurance	4,000	6,000
Land revenue	5,000	8,000
Ground rent	13,200	16,400
Interest on capital borrowed by mortgaging House - II	-	28,000
Nature of occupation	let out for residence	let out for business
Date of completion of construction	May 1989	April 2007

Calculate the income from house property of Mr. Ghosh for the A.Y. 2017-18.

4. a) Mr. Mahendra had the following investments in the previous year ended on 31st March 2017.

8

- ₹ 3,000 received as interest on post office recurring deposit.
- ₹ 1,00,000, 12% Maharashtra State Electricity board Bonds.
- ₹ 80,000, 13% Kotak development bonds.
- Family pension ₹ 96,000.
- ₹ 7,920 were received as interest on Tax free secured securities of Bajaj India Pvt. Ltd. Co.
- 1,44,000, 10% (Tax free) listed Debentures of a company.
- ₹ 1,60,000, 12% Debentures of Goa Development authority.

He claimed following expenses :

- Rs. 240 as commission for collection of interest.
- Rs. 4,800 interest on loan taken for purchasing of debenture of Goa Development Authority.

Compute his income from other sources.

- b) Mr. Ashok a member of parliament, gives the following particulars. Compute his taxable income from other sources from the A.Y. 2017-18. 8
- M.P. Salary ₹ 75,000 p.m.
 - He won ₹ 50,000 (Gross) from crossword puzzle.
 - Winnings from Karnataka Lottery (Net) received ₹ 1,75,000.
 - A credit in his pass book the sources of which cannot be explained for its colour being black ₹ 2,50,000.
 - Royalty received in respect of a book from a publisher ₹ 1,00,000. He claims expenses on stationary and typing ₹ 20,000.
 - ₹ 27,000 received as interest on tax free debentures of a company (unlisted)

OR

- c) From the following particulars submitted by Mangesh. Compute his income from other sources for the A.Y. 2017-18. 8

	₹
Directors meeting fees received	9,000
Agricultural income from land situated in India	30,000
Agricultural income from Nepal	45,000
<u>Interest :</u>	
a) From bank on FDR (Net)	32,400
b) On post office saving account	1,800
c) On Govt. Securities	3,600
d) On PPF A/c	12,000
e) On NSC (VIII issue)	9,000

- d) The following incomes are received by Anita during Financial year 2016-17 : 8

	₹
i) Director's fees	18,000
ii) Ground rent for land in January	60,000
iii) Interest on postal saving bank A/c	6,000
iv) Interest on deposit with Industrial finance corporation of India	4,500
v) Dividend from a foreign company	5,500
vi) Rent from sub-letting a house	1,87,500
vii) Winning from lottery (Net)	1,40,000
viii) Interest on securities (Gross)	25,000

You are required to calculate income from other sources of Anita for the A.Y. 2017-18

5. Answer in brief :

- Define agricultural income. 4
- Explain the tax treatment of house rent allowance. 4
- List out the income exempted from tax. 4
- Meaning of PAN and TAN. 4
