



QP CODE: 25003225



Reg No :

Name :

**BBM DEGREE (CBCS) SPECIAL REAPPEARANCE EXAMINATIONS, FEBRUARY
2025**

Fifth Semester

BACHELOR OF BUSINESS MANAGEMENT

CORE COURSE - BM5CRT24 - INCOME TAX ; LAW & PRACTICE

2022 Admission Only

A6FEB299

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Who is a deemed assessee?
2. What is relief?
3. How to determine the residential status of a company?
4. Give any 2 incomes exempted from tax?
5. Give the five heads of income?
6. What you mean by gratuity?
7. Explain deductions as per section 80C of Income Tax Act.
8. How is the receipt from paying guest accommodation treated?
9. What is the ceiling limit for interest on loan deduction under section 24 for a self occupied house property?
10. What is a speculative business?
11. What is meant by the term block of assets?
12. Give few examples of deemed profits?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. Discuss the evolution of Income Tax Law in India
14. Distinguish between total income and gross total income ?
15. Mr. Stephen was getting pension from a bank Rs.15,000 per month. With effect from 1.6.2018, he commuted two third of the pension and received Rs.6,00,000.
Compute the amount includible under the head salaries for the year 2018-2019 if :
 - i) he received gratuity at the time of retirement.
 - ii) he did not receive gratuity at the time of retirement.
16. Calculate taxable amount of annual accretion from the following information.
 - a) Basic salary Rs.11,000 per month.
 - b) Commission received by him on the basis of turnover of Rs.5,50,000 @ 10%.
 - c) Employer's contribution to RPF @ 15% salary.
 - d) Interest credited on 30.June.2018 to RPF balance @ 14% is Rs.60,000.
17. What are the exemptions regarding Income From House property?
18. From the following information of Mr Rajan, compute the annual value of the let out house for the AY 2019-2020 Municipal value - Rs 20,000 Municipal tax paid - Rs 4,000 House is being used for self residential purposes but let out one-fourth portion for RS 400 per month with effect from 1st January 2019.
19. Explain the rules for claiming the expenses incurred on operation of telecommunication license.
20. Write a note on deductions expressly disallowed from business.
21. Write the rules for deduction under sec 43.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Explain the scope of total income on the basis of residence?
23. Mr. Manikyan is a Government employee in Varanasi. Following is the details of his salary during the year 2018-19.
 - a) Basic pay Rs.17,500 per month.
 - b) Dearness Allowance Rs.4,500 per month.
 - c) Residential house allotted by Government Rs.2,000 per month. However, similar house would fetch a monthly rent of Rs.4,400.Determine gross salary in the following cases:
 - i) House is unfurnished, free of rent.
 - ii) House is unfurnished but Rs.1,200 per month is paid by him.
 - iii) House is unfurnished, but rent of 6,000 paid by him and balance 4,000 remains





payable.

iv) House is furnished, free of rent. Cost of furniture is Rs.30,000 but its written down value is 27,000.

Some furniture are hired. Hire charges amounts to Rs.1,000 per annum.

v) House is furnished, cost of furniture is Rs.20,000. Rent recovered for the house is Rs.8,000.

24. Dr. Bansal owns a house property in Pune which is let out for Rs.8000 p.m. Its municipal valuation and municipal taxes are respectively Rs.80,000 and 30%, Dr. Bansal paid municipal taxes of the past four years along with for the current previous year. Other expenses relating to property is the following: Repair and insurance premium Rs. 7,000 Interest for purchase of house Rs. 42,000 The house was vacant for three months in the year. Compute income of the house property for the Assessment Year 2019-20.
25. The following is the profit and Loss account of M/s Ravi & Sons for the year ended on 31 st March, 2018. Compute his taxable income from business for that year.

Opening Stock	1,50,000	Sales	18,00,000
Purchase	12,00,000	Closing Stock	2,00,000
Salary	2,00,000	Gift from Father	1,00,000
Rent	60,000	Sale of Car	1,70,000
Repairs of Car	30,000	Income Tax Return	30,000
Wealth Tax	20,000	Medical Expenses	30,000
Depreciation on car	30,000	Advance Income tax paid	10,000
General Expenses	1,00,000	Profit for the year	4,70,000

Additional information:

a. Mr. Ravi & Sons carries on his business in rental premises, 1/2 of which used as his residence.

b. Mr. Ravi & Sons bought a car during the year for 2,00,000. He charged 15% depreciation on the value of car. The car was sold during the year for 1,70,000. The use of car was 1/4 for personal purpose.

c. Medical expenses were incurred during sickness of Mr. Ravi & Sons for his treatment.

d. Salaries includes 2,500 per month on account of driver's salary for 10 months.

(2×15=30)

