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**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBASF – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

**(Examination conducted in January- March 2021)**

**BBA SF 5219: Income Tax**

**Time-21/2 hours Max Marks-70**

**This paper contains four printed pages and four parts**

**SECTION A**

1. **Answer any FIVE questions. Each question carries two marks (5x2=10)**
2. Who is a deemed assessee?
3. List any two incomes that are not taxable under the head business and profession.
4. Mention the taxability of any two partly agricultural income.
5. State any two fully taxable and two fully exempted allowances.
6. Calculate Net Tax Liability of Mr. Das (Age-32) Total Income- Rs. 16,70,000 and Mr. Kumar (Age-67) Total Income- Rs. 5,00,000 for the Assessment Year 2021-22 as per the Old Tax Regime.
7. What are the deductions from Income from let-out house property?

**SECTION B**

1. **Answer any THREE questions. Each question carries five marks. (3x5=15)**

7. Mr. A, leaves India on 27th May, 2020 and then comes back to India on 19th January, 2021. His stay in India during earlier years is as follows: 2019-20: 142 days; 2018-19: 50 days; 2017-18: 192 days. Prior to this, he never went out of India. Determine his residential status for the A.Y.2021-22.

1. Ms. Tara, resident of Chennai, is working in a private company and receives the following emoluments for the financial year 2020-21:

Basic salary - Rs.1,00,000 per month.

Dearness Allowance – 20% of basic salary (enters for service benefits)

House rent allowance received – Rs.1,50,000 per month.

Rent paid Rs.1,20,000 per month.

Compute taxable HRA for the Assessment year 2021-22.

1. Identify if the following are admissible or inadmissible expenses.
2. Loss from discontinued business
3. Audit Fee
4. Entertainment Expenses
5. Illegal Expenses
6. Unapproved or unrecognized fund contribution
7. Staff welfare expenses
8. Bad debts still recoverable
9. Printing and Stationary
10. Excess Depreciation
11. Loss of stock due to theft by an employee
12. Mr. Sujay (Resident) (Age- 51 Years) has a total income of Rs.9,00,000 p.a. from the following particulars, calculate the eligible deductions under Chapter VI-A and tax liability for the A.Y. 2021-22
13. Repayment of housing loan borrowed from LIC- Rs. 27,000
14. Medical Insurance premium for self, wife and dependent children- Rs. 22,000
15. Tuition fee for his two children who study in Mysore University- Rs. 1,32,500
16. Contribution to Atal Pension Yojana- Rs. 75,000
17. Investment in five-year post-office term deposit- Rs. 12,000

**SECTION C**

1. **Answer any TWO questions. Each question carries fifteen marks. (2x15=30)**
2. Mr. Kevin a Ireland national, joined XYZ Co. Ltd. as an engineer in India on 1st May, 2010. On 31st December, 2011, he went to Bahrain on deputation. On 1st April, 2016, he came back to India and left for Sri Lanka again on 31st May, 2016. He returned to India and joined his original post on 1st July, 2020. Determine his residential status for the A.Y. 2021-22.

 Based on his residential status from the following particulars of Mr. Alex compute his Gross Total Income for the Assessment Year 2020-21.

1. Income from house property in Bathinda and received there- Rs. 1,50,000
2. Income from Agriculture in Punjab received in Canada- Rs.90,000
3. Income from Agriculture in Nepal remitted to India- Rs.67,250
4. Income from the previous year 2017-18, remitted to India on 12-09-2020- Rs.1,10,000
5. Income from business in Qatar controlled from Bengaluru- Rs. 55,000 (Rs. 23,000 received in India)
6. Royalty earned in England and received in India- Rs. 33,000
7. Income from sale of property in Kanpur received in Britain- Rs. 2,55,000
8. Income from business in India received in Australia- Rs. 75,000
9. Mr. Varun is the Principal of a school in Jaisalmer. He furnishes the following particulars for the year 2020-21:

a) Basic salary Rs.16,200 per month

b) DA (under terms of employment) Rs.11,800 per month

c) He contributes 12.5% of his salary to a recognized PF

d) Education allowance for three children Rs.6,000

e) Medical allowance Rs.8,000, actual amount spent Rs.3,000

f) Telephone bill of employee Rs.5,000 paid by employer

g) Sweeper, servant and watchman at a salary of Rs.350per month per person was appointed by Varun and their salary was paid by the college

h) Earned leave encashment Rs.22,000 received during the year

i) LIC premium paid by employer Rs.6,000

j) Varun paid professional tax Rs.2,400

k) The school has provided a rent-free house along with furniture facility costing Rs.25,000

l) Group insurance policy premium also paid by employer Rs.1,500.

Compute Taxable Income from Salary for the A.Y. 2021-22.

 13. a) Explain the method of computing Long Term and Short-Term Capital Gains **(9 Marks)**

 b) Give the proforma for calculating Income from House Property **(6 Marks)**

**SECTION D**

1. **Answer the following question. It carries fifteen marks. (1x15=15)**
2. Mr. Rao (Resident) aged 48 years furnishes the following Incomes and investments for the AY 2021-22.
3. Basic Pay- Rs. 12,000 p.m.
4. Dearness Allowance- Rs. 10,500 p.m. (20% forms a part of retirement benefit)
5. Fee- Rs.50,000 p.a.
6. Entertainment Allowance- Rs. 1500 p.m.
7. Rent free accommodation in Amritsar, property owned by employer- Fair Rental Value Rs. 6,500 p.m. and also provides furniture and household appliances (Original Cost- Rs. 71,000 and the Written Down Value- Rs. 7,800)
8. Medical Allowance- Rs. 36,000. Rs.6,000 was spent in a government hospital towards treatment.
9. Uniform Allowance- Rs. 1500 p.m., actual expenditure- Rs. 1150 p.m.
10. Children Hostel Expenditure- Rs. 500 p.m., he has one son.
11. Motor car of 2000cc is provided for both personal and official use and it is owned and maintained by the employer.
12. He and his employer equally contribute 7% of the basic salary towards statutory provident fund and Mr. X earns an interest of 5% p.a. on such contribution.
13. Mr. X has his own grocery store from which he earns- Rs. 75,000 p.a. (computed)
14. He also receives rental income from a house property that has been let out- Rs. 55,000 p.a. (Computed)
15. Income from Capital Gain- Rs. 2,25,600
16. Income from Gambling and Horse Race- Rs. 30,000 (Computed)
17. He has a loss from House property of Rs. 12,250 from 12-09-2019 that has been carried forwarded to the current Assessment Year.
18. He has invested in National Pension Scheme- Rs. 38,550 p.a. and Atal Pension Yojana- Rs. 42,610 p.a.
19. He is paying tuition fee for his child who are studying in Pondicherry State University- Rs. 86,000 p.a.
20. Medical insurance premium for himself, wife and his child- Rs. 24,500
21. Repayment of housing loan borrowed from LIC- Rs. 23,000

Calculate Mr. Rao’s tax liability for the A.Y.2021-22

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