



B.B.A.VI Semester Degree Examination, Sept./Oct. - 2024

MANAGEMENT

DSC17 : Income Tax - II

(NEP)

Time : 2 Hours

Maximum Marks : 60

Note : Show the working notes wherever is necessary.

SECTION - A

Answer the following sub-questions, each carries **one** mark.

10x1=10

1. (a) Define business.
- (b) What is profession ?
- (c) What is Capital asset ?
- (d) What is Long term Capital Gain ?
- (e) What is casual income ?
- (f) Mention types of Securities.
- (g) What is set off ?
- (h) What is Carry Forward ?
- (i) What is Permanent Account Number ?
- (j) List any two types of Assessee.

SECTION - B

Answer **any four** of the following. Each carries **five** marks.

4x5=20

2. List any five expenses.
 - (a) Expressly allowed
 - (b) Expressly disallowed
3. What are the provisions of Set off and Carry Forward of Losses ?



P.T.O.

4. What is the procedure for obtaining PAN online ?
5. The following is the summarized cash account of Dr. A, a registered medical practitioner for the year ended 31-3-2023.

Receipts	Amount	Payments	Amount
Cash on Hand	20,000	Salaries	60,000
Sale of Medicines	60,000	Building Rent	20,000
Consultation Fee	90,000	General Expenses	5,000
X-ray charges	40,000	Int. on Bank loan	7,000
Visiting Fees	15,000	Cost of medicines	40,000
Bank loan (for purchase of Building)	50,000	Surgical Equipment's	10,000
Sale of securities	30,000	Motor Car	1,50,000
Gift from Uncle	5,000	Car Expenses	5,000
Presents from Patients	7,000	Closing Cash Bal.	20,000
	<u>3,17,000</u>		<u>3,17,000</u>

Additional Information :

- (a) Half of the Building was used for dispensary.
- (b) Depreciate motor car by 10% p.a. and surgical equipment by 20% p.a.
6. Mr. X sells jewellery on 1-2-2023 for ₹ 99,000. Cost of jewellery to him in December 2007 was ₹ 25,000. He paid brokerage on sale ₹ 3,000. On February 2023 he purchased a residential house for ₹ 4,20,000. The cost inflation index for 2007-08 and 2022-23 were 129 and 331 respectively.
Find out taxable Capital Gains for the A.Y : 2023-24.
7. Ms. A furnishes the following information. Calculate her income from other sources for the A.Y : 2023-24.
- | | |
|--|-------------|
| (a) Interest on FD with Banks | ₹ 40,000 |
| (b) Salary received as MLA | ₹ 10,000 pm |
| (c) Daily allowances received as MLA | ₹ 4,000 pm |
| (d) Gift from Father in Law | ₹ 75,000 |
| (e) Interest on Tax-free debentures of X. Ltd. (listed) received | ₹ 18,000 |
| (f) Collection charges of Interest | ₹ 200 |



SECTION - C

Answer **any three** of the following. Each carries **ten** marks.

3x10=30

8. Discuss the powers of Income Tax Authorities - Central Board of Direct Taxes.
9. The following is the profit and loss a/c of Sri.R a Sole Trader, for the year ending 31-3-2023.

Expenses	Amount	Incomes	Amount
To Interest on Capital	6,000	By Gross profit	1,50,000
To General Exps.	10,000	By Profit on sale of cars	40,000
To salaries	56,000	By recovery of Bad Debts	10,000
To Advertising Exps.	7,000	By Interest on Govt. securities	6,000
To Bad debts	2000	By dividends	8,000
To Fine Insurance Premium	2,400	By Gifts on Birthday	10,000
To Car Expenses	5,000		
To Income Tax	10,000		
To Donations	8,000		
To Depreciation	10,000		
To provision for doubtful debts	5,000		
To Net Profit	1,02,600		
	2,24,000		2,24,000

Additional Information :

- (i) Depreciation as per Income Tax rates to be charged is ₹ 6,000.
- (ii) Car expenses include ₹ 1000 spent for personal work.
- (iii) Salaries include ₹ 20,000 being salaries to proprietor.
- (iv) General expenses include ₹ 5,000 as compensation paid to an employee, who had to be removed from service in the interest of the Business. Compute "Income from Business" for the A.Y : 2023-24.
10. Compute the taxable Capital Gains for the A.Y : 2023-24. The details are as follows :

Particulars	House - X
Date of Purchase	01-06-1997
Cost of Purchase	6,70,000
Cost of Improvement in the year 2000	50,000
Fair market value as on 01-04-2001	6,00,000
Cost of Improvement in 2004-05	1,50,000
Sale proceeds of the property 2022-23	24,00,000
Cost inflation index :	
for 2001-02 = 100	
2004-05 = 113	
2022-23 = 331	



11. Ms. T, provided the following details of her income for the P.Y : 2022-23.

Compute income from other sources for the A.Y : 2023-24.

(a) Dividend on preference shares (Gross)	₹ 12,000
(b) Interest on FD with Bank	₹ 10,000
(c) Dividend on equity shares (Gross)	₹ 2,500
(d) Income from letting on hire of Building and Machinery under one composite lease	₹ 1,20,000
(e) Directors fees received	₹ 5,000
(f) Ground rent	₹ 2,500
(g) Income from undisclosed sources	₹ 50,000
(h) Winning from Lotteries (Net)	₹ 30,000

The following deductions are claimed by her :

(i) Collection charges of dividend	₹ 100
(ii) Allowable depreciation on building and Machinery	₹ 15,000
(iii) Fire Insurance Premium paid on Building and Machinery	₹ 1000

12. Compute Gross Total income from the following details of Mr.X, after set off of losses for the A.Y : 2023-24.

(i) Loss from self occupied property	₹ 40,000
(ii) Income from Let out property	₹ 36,000
(iii) Gross salary	₹ 70,000
(iv) Profit from speculative Business	₹ 1,00,000
(v) Loss from speculative Business	₹ 80,000
(vi) Short term Capital Gain	₹ 50,000
(vii) Short term Capital Loss	₹ 60,000
(viii) Long term Capital Gain	₹ 45,000

(a) He opts to be taxed under section 115 BAC.

(b) He does not opt to be taxed U/S 115 BAC.

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