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School of Finance and Commerce

**Bachelor of Business Administration in Financial Investment Analysis
Semester End Examination - Nov 2023**

**Duration : 180 Minutes
Max Marks : 100**

Sem V - H1UA502T - Income TaxGeneral Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) A Government employee received salary Rs. 120000 and entertainment allowance Rs. 10000 during the previous year. He spent Rs. 6000 on entertainment. Show the amount of deduction u/s 16 (ii), he is entitled to: K1 (2)
- 2) Explain the two conditions to become a resident of an individual under the provisions of the Income Tax Act. K2 (4)
- 3) Explain the powers of Central Board of Direct Taxes or Commissioner of Income Tax. K2 (6)
- 4) Identify and discuss those transactions in which quoting PAN is compulsory. K3 (9)
- 5) Mr. Hari Kishan owns three houses in Agra city. He got a house as a gift from a widow on the condition that she will be paid Rs. 12000 per annum for the maintenance throughout her life. The house has been let at Rs. 2300 p.m. and the municipal taxes paid Rs. 3000. The value of the second house according to municipal records is Rs. 14800 and standard rent of Rs. 15000, but it has been let out at Rs. 1500 p.m. and the tenant has undertaken to bear the cost of repairs. Municipal taxes paid amounted to Rs. 2000. The third house which was constructed in 1.1.2017 with a borrowed capital of Rs. 150000 @ 10% per annum interest from a firm of Sydney (Australia), is occupied by Mr. Hari Kishan as his residence. Municipal valuation of this house is Rs. 8000 per annum and the municipal tax is levied @ 10% but it could not be paid during the year. The outstanding loan on 1.4.2022 was Rs. 120000 and nothing was repaid out of capital sum during the year. Interest has been remitted to the Sydney firm without deducting any tax from it and there is no person in India who can be treated as the agent of that firm in India. Solve the question by computing his income from house property for the assessment year 2023-24. K3 (9)

- 6) Discuss briefly about the various types of assessment on the basis of their importance K5 (10)
- 7) Examine and describe the organisation of the Income Tax Department. K4 (12)
- 8) Mr. Lalit an ordinary resident in India earned the following income during the financial year 2022-23: a. Director's fees: 2000 b. Income from Agricultural land in Pakistan: 5000 c. Ground rent for land in Pathankot: 10000 d. Interest on Postal savings bank account: 100 e. Interest on deposits with Industrial Finance Corporation of India: 500 f. Dividend from foreign company: 700 g. Rent from sub-letting a house: 26250 h. Rent payable by Mr. Lalit for the sub-let house: 12000 i. Other expenses incurred on this sub-let house: 1000 j. Winning from horse race: 12300 k. Interest on securities: 4000 You are required to evaluate "Income from other sources" of Mr. Lalit for the Assessment year 2023-24. K5 (15)
- 9) Aditi went first time out of India to Japan on 10th December, 2016. She came back to India from Japan on 1st April, 2018. On 15th October 2020 she went to America and came back to India on 1st April 2021. In the previous year 2022-23, she was in India for only 62 days. She has the following incomes in the previous year 2022-23: (i) Capital gains on the sale of property received in India Rs. 450000. The property is situated in Japan. 50% of Capital gains was sent to Japan. (ii) Income from house property situated in Japan Rs. 252000, 50% was received in India and remaining was deposited there in a bank. (iii) Profit of a business situated in America Rs. 840000 (This business was controlled from India.) (iv) Dividend from an American company Rs. 250000 of this 40% was received in India and remainder in Japan. You are required to determine the residential status of Aditi for the previous year 2022-23 and on the basis of residential status compute her gross total income. K5 (15)
- 10) An Indian citizen and businessman Mr. Anuj who resides in Bhopal went to London for the first time for employment purpose on 8th August, 2022 and came back to India on 31st October, 2023. Mr. Anuj has not been out of India in the past. Estimate the residential status of Mr. Anuj for the assessment year 2023-24. If he has gone to London on a Leisure trip what will be your answer? K6 (18)