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School of Finance and Commerce

**Bachelor of Business Administration in Financial Investment Analysis
Semester End Examination - Jun 2024**

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

**Sem IV - H1UA408T - H1UB403T - H1UB401T
Income Tax / Income Tax Law and Accounts**

General 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 different categories into which the assessee is divided with regard to residence. Give a brief account of each of them. K2 (6)
- 4) Develop an understanding about the various authorities envisaged in the Indian Income Tax Law and what are their functions? K3 (9)
- 5) Identify and discuss those transactions in which quoting PAN is compulsory. K3 (9)
- 6) Evaluate upon the provisions regarding set-off of losses while computing the total income. K5 (10)
- 7) 1. The following are the particulars of Mr. Ganesh's income during the previous year 2022-2023: (i) Agriculture income from Kanpur: 23,000 (ii) Income from a business in Chennai, the business is managed from London: 30,000 (iii) Income from the electronics industry in Japan, its head office situated in Japan: 1,50,000 (iv) Income from a business in Iran (Rs. 35,000 the income from a business which is controlled from India is included): 80,000 (v) Income from agricultural land in Ceylon and deposited in a bank there: 50,000 (vi) Sudhir who is a non-resident paid interest on the loan provided to him for a business carried on in India: 28,000 Examine his taxable income for the Assessment Year 2023-24, if he is (a) Ordinary resident, (b) Not ordinarily resident and (c) Non-resident. K4 (12)

- 8) Kundan is an Indian citizen. He went out of India on 15th August 2022 for a service in a company in Japan and came back to India on 1st March 2023 to meet his family. During the previous year his details of receipts were as follows: 1. Income from salary in Japan Rs. 160000 2. Interest on debenture of an Indian company received in Japan Rs. 18000 (Gross). 3. Taxable income from house property in Rajasthan Rs. 18500. 4. Dividend on shares of foreign company Rs. 7500, received out of India. 5. Agricultural income, land situated in Rajasthan Rs. 13500. 6. Interest received from a firm in Japan, remitted to India Rs. 9200. 7. Income from a business in Rajasthan: a. From 1st April, 2021 to 31st July 2021 Rs. 48000, b. From 1st Aug., 2021 to 31st March 2022 Rs. 60000. 8. Payment from Public Provident Fund Rs. 10000. 9. Income from India Partnership Firm Rs. 20000. 10. Dividend from Indian Company Rs. 5000. 11. Indian Agricultural income Rs. 12000. Evaluate his Residential status and Gross Total Income. K5 (15)
- 9) 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)
- 10) Mr. Nasir is working in a Jute Mill Company in Kolkata since 1st March, 2015. He is in the grade of Rs. 8000-400-16000-700-23000 plus a dearness allowance @ 20% of his basic pay, half of which enters into retirement benefits. He contributes 12% of his salary and one-half dearness allowance to Recognised Provident Fund to which his employer contributes an equal amount. During the previous years he took a loan of Rs. 40000 from his provident fund for his daughter's marriage out of which he repaid Rs. 4000 during the year by way of deduction from his salary. He has been provided with a rent-free house owned by the Mill, the fair rent of which is Rs. 44000 per annum. He is getting conveyance allowance of Rs. 600 p.m. for private purposes, medical allowance of Rs. 400 p.m. and servant allowance of Rs. 400 p.m. He received Rs. 120000 for encashment of leave on 1st September, 2022, being 10 months' leave not availed of. As per the rules of the company Mr. Nasir was entitled to 30 days' leave for every year of service. He had been provided with the facility of a gardener and a cook, who are each paid Rs. 150 p.m. by the employer. He is also provided with a small car by the employer for official and private use. Two children of Mr. Nasir are studying in the Institution run by the employer for which no fees are paid. Expenses per student per month is Rs. 600. Compute Mr. Nasir's taxable salary for the Assessment Year 2023-24 assuming that salary is due on the first day of the next month. K6 (18)