

**ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)****VI SEMESTER BBA EXAMINATIONS - APRIL 2019****INCOME TAX****Duration: 2.5 Hours****Max. Marks: 70****SECTION - A****I) Answer any TEN of the following questions. (10x3=30)**

1. What do you mean by Assessment Year?
2. Mention the five heads of income.
3. Expand PAN and CBDT
4. What is Gross Total Income?
5. Give the meaning of Casual Income.
6. Mention any 3 deductions u/s 80 C
7. What is Capital Gain?
8. Mr. Manav furnishes the following details of his income for the previous year 2017-18. Classify these income as a) Indian or b) Foreign
  - a. Profit in business in UK, controlled from India
  - b. Salary received in India for services rendered in USA
  - c. Rent from house property in London received and spent for son's higher education in London.
9. State income tax rates applicable for individual assesseees (below 60 years) for the Assessment Year 2018-19
10. Under which head of income the following incomes are taxable?
  - a. Profits earned from sale of gold ornaments
  - b. Winnings from horse race
  - c. Pension received from former employer
11. Mr. James (age 40) taxable total income is Rs.5,00,000. Compute tax liability for A.Y.2018-19
12. What do you mean by Profession?

**SECTION - B****II) Answer any FOUR of the following questions. (4x5=20)**

13. Mr. Richard a foreign national came to India for the first time from U.S.A on 30<sup>th</sup> June, 2010. He stayed here continuously for 3 years and left for Japan on 30<sup>th</sup> June, 2013. He returns to India on 1<sup>st</sup> April, 2014 and remained here till 31<sup>st</sup> July, 2014 when he went back to U.S.A. He again came back to India on 30<sup>th</sup> January, 2018 and continued to stay in India thereafter. Determine his residential status for the A.Y. 2018-19

14. Mr. John retires from private service on 1st April, 2017 and his pension has been fixed at Rs.4,500 p.m. He gets  $\frac{1}{2}$  of the pension commuted and gets Rs.90,000. He also received Rs.75,000 as gratuity. He gets his pension commuted on 31<sup>st</sup> January, 2018. Pension becomes payable on 1<sup>st</sup> day of each month. Calculate taxable pension for the A.Y.2018-19.
15. Mrs. Sindhu is working in a company at Bangalore and getting a Basic pay of Rs.8,000 p. m ; DA 50% (enters) ; House Rent Allowance at 20% of Basic pay. Bonus is Rs. 10,000. She is residing in a rented house at Rs. 1,800 p.m. Determine exempted amount of HRA for the A.Y. 2018-19
16. Mr. Kumar resigned from his service from a private company on 30<sup>th</sup> November, 2017 after completing 24 years and 10 months of service. During his service period he had availed 10 months leave. He was paid leave salary of Rs.2,20,000 for his credit of 11 months earned leave. His average salary during the 10 months preceding to the date of resignation was Rs.11, 000. Compute his taxable leave salary for the A.Y.2018-19
17. What is Residential status and state the conditions to determine the Residential status.
18. Mr. Anuj provides you the following information for the P.Y.2017-18:
  1. Taxable income from salary Rs.1,20,000
  2. Taxable income from house property Rs.78,000
  3. Taxable business income Rs.10,000
  4. Taxable income from sale of STCA Rs.8000
  5. Rent from subletting of house Rs.15,000
 During the P.Y. he paid:
  1. life insurance premium on his life Rs.32,000
  2. Medical insurance premium paid Rs.12,000
 Compute total taxable income for the A.Y.2018-19

### SECTION - C

#### **III) Answer any TWO of the following questions. (2x10=20)**

19. Mr. Gupta is an employee in a private company in Chennai. During the P.Y. the following details were furnished by Mr. Gupta:
  1. Basic salary Rs. 12,000 p.m
  2. Dearness Allowance Rs.2000 p.m (50% enters)
  3. Commission @2% of sales turnover. During the year turnover achieved by him is Rs.5,00,000.
  4. Children education allowance for his 2 children at Rs.300 p.m per child.
  5. Transport allowance Rs.2,500 p.m
  6. Medical allowance Rs.1000 p.m
  7. His contribution towards RPF is Rs.2000 p.m and employer also makes the matching contribution
  8. Interest on RPF was Rs.7,200 at 15% per annum
  9. Company had provided him a motor car (2000CC) with chauffeur for both official and personal use. The expenses are met by employer
  10. Entertainment allowance Rs.500 p.m
  11. Conveyance allowance Rs. 300 p.m (50% used for the purpose given)
 Compute Income from Salary for the A.Y.2018-19

20. From the following details provided by Mr.Vijay for the P.Y.2017-18, Compute incidence of tax for the A.Y.2018-19 assuming if Mr.Vijay was:  
**a. Ordinary Resident   b. Not Ordinary   c. Non Resident**
1. Profit from sale of building in Srilanka and received in India Rs. 15,000
  2. Income from Salary accrued in China but received in Singapore Rs. 30,000
  3. Income from agriculture in Kerala Rs.70,000
  4. Profits from business in Bangalore controlled from Germany Rs.1,20,000
  5. Profits from business in Australia fully controlled outside India Rs.40,000
  6. Interest on deposit in SBM, Delhi Rs.1200
  7. Pension received in Belgium for services rendered in India in a private company Rs.20,000
  8. Income from agriculture in Bangladesh Rs.50,000 received and spent there only
  9. Income from business in UK controlled from India Rs.60,000
  10. Gift of Rs. 50,000 received from his father received on the occasion of his birthday
21. Mr. Aman retired from a particular company on 30<sup>th</sup> November 2017. He was working since 1<sup>st</sup> March 1992. He received Rs.2,00,000 as gratuity. His basic salary at the time of retirement was Rs. 6,000 p.m and DA 25%. Calculate his exempted gratuity
- a) If he comes under gratuity act
  - b) If he doesn't come under gratuity act
22. Briefly explain the canons of taxation.