



NP – 406

VI Semester B.B.A. Examination, July/August 2024
(NEP Scheme)
BUSINESS ADMINISTRATION
Paper – 6.2 : Income Tax – II

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer should be written in **English** only.

SECTION – A

1. Answer **any 6** sub-questions. **Each** sub-question carries **2** marks **each.** (6×2=12)
- Define Business.
 - What is short term Capital Gain ?
 - What are Bond washing Transactions ?
 - Mention any 4 disallowed expenses while computing income from business.
 - Name any 4 incomes chargeable to tax under the head income from other sources.
 - What do you mean by carry forward of losses ?
 - State the income tax provision U/S 80 D.
 - What is CII ?

SECTION – B

- Answer **any three** of the following questions. **Each** carry **4** marks **each.** (3×4=12)
- Smt. Mamatha (age 56 years) an entrepreneur from Bangalore bought a diamond stud in August 1994 for ₹ 36,000. She sold this diamond stud for ₹ 5,60,000 in January 2023. The FMV on 1-4-2001 was ₹ 1,40,000. CII 2001–02 = 100, 2022 – 23 = 331. Determine Capital Gain for the AY = 2023 – 24.
 - Mr. Z furnished following particulars of his income for the PY 2022 – 23. Compute his income from other sources for the AY 2023 – 24.
 - Dividend from foreign company gross ₹ 16,000.
 - Winning from Horse race ₹ 17,780 (Net).
 - Interest on POSB A/c ₹ 1,500.
 - Royalty from Books written ₹ 25,000 (Expenses incurred for this purpose ₹ 2,500).

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4. Dr. Pasha is a practicing doctor who runs his clinic gives you the following data.
- Receipts** :- Gift from patients ₹ 30,000, Visiting fees for various hospitals ₹ 1,00,000, Consultation fees ₹ 50,000, Operation charges ₹ 80,000, Dividend received ₹ 20,000, Lottery Income ₹ 2,00,000.
- Payments** :- Rent of clinic ₹ 30,000, Medicine Purchase ₹ 20,000, Operation theater rent paid ₹ 30,000, Electricity and water charges ₹ 10,000, Magazines and newspapers ₹ 10,000, Purchase of TV for his residence ₹ 40,000. Compute taxable income from profession for the AY 2023 – 24.
5. Ms. Keerthi furnishes the following particular's of her income and expenditure for the PY 2022 – 23. Compute Total Income for the AY 2023 – 24.
- Gross Total Income ₹ 10,00,000.
 - Contribution to PPF ₹ 70,000.
 - Contribution to annuity plan of LIC ₹ 15,000.
 - Contribution to PMNRF ₹ 10,000.
 - Contribution to Charitable Hospital ₹ 10,000.
 - Contribution to Defence fund ₹ 10,000.
6. Explain the provisions to set off and carry forward of the following :
- Short-term Capital Gain.
 - Loss of House Property.

SECTION – C

Answer **any three** of the following questions. **Each** question carries **12** marks. **(3×12=36)**

7. Mr. Rajkumar is a leading Chartered Accountant @ Bangalore. He keeps his books on cash basis and summarized Receipts and Payments A/c for the year ending 31-3-2023 is given below :
- Compute his taxable income from profession for the year 2023 – 24.

Receipts and payments A/c for the year ending 31-3-2023

Receipts	₹	Payments	₹
Audit fees	3,41,000	Office Expenses	20,000
Gift from father-in-law	10,100	Books (other than annual publication)	10,000
Financial Consultancy Services	16,000	Employee Salary	10,000
Profit on sale of Investment	12,900	Personal Expenses	2,01,000
Accountancy works	60,000	Donation	5,000
		Interest	1,400
		Income tax	26,600
		Car Expenses	4,000
		Surplus	1,62,000
	4,40,000		4,40,000

Additional Information :

- The Car is used equally for professional and personal purpose.
- Allowed Depreciation on Car for official purpose ₹ 10,000.
- Staff salaries include ₹ 4,000 paid to domestic servant.
- Loan was taken for personal use.
- Allowed depreciation on professional books as per IT Rules.

8. Following is the P&L A/c of Mr. Vishwas for the year ending 31-3-2023.

Particulars	₹	Particulars	₹
To Salary	8,000	By Gross Profit	1,37,300
" Advertisement	4,000	" Rent from HP	16,500
" Sundry Expenses	4,500	" Dividend from Indian Company	4,000
" Interest on Capital	2,000	" Winning from Lottery	15,000
" Fire Insurance Premium (₹ 1,500 related to H P)	3,000	" Interest on securities	92,000
" Income tax	7,000		
" Drawings	2,500		
" Bad debts	1,000		
" Provision for Bad debts	500		
" Repair for house property	1,000		
" Municipal tax of H.P.	3,600		
" LIC premium	6,000		
" Donation to Political Party	1,500		
" Depreciation	4,200		
" Net Profit	2,16,000		
	2,64,800		2,64,800

Additional Information :

- Allowable depreciation as per IT Rules ₹ 3,000.
 - Salary includes ₹ 2,000 paid to domestic servant.
 - 50% of repair expenses in respect of HP related to own use.
- Compute his taxable income from Business from AY 2023 – 24.

9. Mr. Rao sold some of his properties during the PY 2022 – 23 is as under :

- Jewellery costing ₹ 2,00,000 was sold for ₹ 4,50,000 in May 2023 which was acquired in June 2021.
- Residential House @ Kolar which was inherited by him in 1998. Sold on 31-10-2022 for ₹ 30,00,000, FMV on 1-4-2001 ₹ 7,50,000. Cost of improvement made during the year 2012 – 13 ₹ 2,50,000. Expenses on transfer ₹ 60,000.



- c) WDV on motor car on 1-4-2022 was ₹ 76,000 and was sold for ₹ 98,000 on 1-12-2022.
- d) House hold furniture costing ₹ 35,000 in 2012 – 13 was sold for ₹ 75,000 on 1-12-2023.
- e) Self cultivated land was compulsorily acquired under law for ₹ 22,00,000 on 1-01-2023 and its cost in 2004-05 was ₹ 4,70,000.

Compute his total taxable capital gain for the AY 2023 – 24.

(CII 2001 – 02 = 100, 2004 – 05 = 113, 2012 – 13 = 200, 2023 – 24 = 331).

10. Ms. Swetha submits the following particulars Income and Expenses :

- a) Computed salary income ₹ 2,00,000.
- b) Computed income from property let-out ₹ 65,000.
- c) Agricultural income from Bangladesh ₹ 1,00,000.
- d) Share of income from HUF ₹ 1,70,000.
- e) Computed income from STCG ₹ 75,000.

Expenses :

- a) Life Insurance premium paid ₹ 28,000 (Sum assured ₹ 25 Lakh).
- b) Medical insurance premium paid ₹ 18,000.
- c) Loan repayment towards Home loan installment ₹ 20,000.
- d) Contribution of ₹ 20,000 to the Swachh Bharath Kosh set up by the Central Government.

Compute tax liability by adopting old Region of tax.

11. Mr. Yogesh submits the following particular's of his income for the previous year ended 31-3-2023.

- a) Family pension ₹ 9,000 p.m.
- b) Royalty from books written ₹ 45,000 (Expenses incurred ₹ 10,000).
- c) Income from articles published in Journals ₹ 6,000.
- d) He lives in a rented house paying a rent of ₹ 6,000 p.m.
He has sublet half portion of the house for a rent of ₹ 4,500 p.m.
He pays the Municipal tax for the entire house ₹ 5,000.
- e) Interest on POSB A/c ₹ 5,000.
- f) Dividend from foreign Company ₹ 10,000.
- g) Ground rent for land received in Bangalore ₹ 5,000.
- h) Interest on Central Govt. securities ₹ 8,000.
- i) Interest on ABC Fertilizer's ₹ 3,350 (Net) listed.
- j) During the year he also won a Kerala State Lottery ₹ 27,600 (net) the Expenses incurred on purchase of Lottery tickets ₹ 5,000.

Compute his taxable income from other sources for the PY 2022 – 23.