

D (Printed Pages 4)
(20221) Roll No.
BBA.-V Sem.

18063

B.B.A. Examination, Dec. 2020

Income Tax Law and Account

(BBA-504)

Time : Three Hours / [Maximum Marks : 75

Note : Attempt questions from all Sections as per instructions.

Section-A

(Very Short Answer Questions)

Note : Attempt all the **five** questions. Each question carries **3** marks. Very short answer is required not exceeding 75 words. $3 \times 5 = 15$

1. Distinguish between "Tax Planning and Tax Avoidance".
2. Define Assessee.
3. Distinguish between Gross Total Income and Total Income.
4. Explain the previous year.
5. Explain "Tax Evasion".

P.T.O.

Section-B
(Short Answer Questions)

Note : Attempt any **two** questions out of the following **three** questions. Each question carries **7½** marks. Short answer is required not exceeding 200 words. $7\frac{1}{2} \times 2 = 15$

6. Define agricultural income. Give examples of non-agricultural income.
7. Discuss the provisions of Income Tax Act regarding exemption of following incomes:
 - (i) Rent Free House
 - (ii) Entertainment Allowance
8. Define transfer. What are the transactions which are not regarded as transfer for computation of capital gains?

Section-C

(Detailed Answer Questions)

Note : Attempt any **three** questions out of the following **five** questions. Each question carries **15** marks. Answer is required in detail. $15 \times 3 = 45$

9. Tax Liability depends upon the residential status of an assessee. Explain in details.
10. Explain the provisions of the Income-Tax Act in the cases.
 - (i) Deduction U/S 80C

18063/2

- (ii) Deduction U/S 80G
- (iii) Deduction U/S 80TTA

11. Particulars of income of Mr. Suresh an employee with Reliance Industries Ltd. in Mumbai, for the financial year ending on 31st March, 2019 are as follows:-

- (i) Basic salary Rs 25,000 per month
- (ii) Dearness pay Rs 3,000 per month (Under terms of employment)
- (iii) 5% commission on sales (sales were Rs 15,00,000 during the aforesaid financial year).
- (iv) Rent free furnished house, fair rent being Rs. 7,000 per month. Value of furniture in the house is Rs. 1,20,000.
- (v) Entertainment allowance ₹ 500 per month.
- (vi) Bonus equal to four month's salary.
- (vii) The company has provided him a large car for official as well as private purposes. All expenses including driver's salary are borne by the company.
- (viii) The company paid ₹ 3,000 to wards his profession tax.
- (ix) He contributes ₹ 7,500 per month towards recognized provident fund.

The employer's contribution is equal to that of employee's.

Compute taxable income from salary for the assessment year 2019-20.

12. Mr. D'souza sold following assets in the previous year 2018-19.

- (i) Machine purchased on 01.06.2018 for ₹ 10,000 was sold for 15,000.
- (ii) Furniture purchased on 01.05.2018 for ₹ 2,000 was sold for ₹ 3,000.
- (iii) Sold shop for ₹ 1,50,000 which was purchased in 1986-87 for ₹ 18,000.
- (iv) Machine purchased in 1984-85 for ₹ 40,000 was sold for ₹ 50,000. (Written down value on 01.04.2018 was ₹ 30,000).
- (v) Sold house for ₹ 3,50,00 which was purchased in 1987-88 for ₹ 45,000. He purchased another house in the previous year for ₹ 1,60,000. Compute his taxable capital gains. Cost inflation index: 2001-02-100; 2018-19-280.

13. Discuss the provisions of set-off and carry forward and of the following losses:

- (i) Loss from business
- (ii) Short-term capital loss
- (iii) Loss from lottery.