

Paper Code : 21228

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**B. B. A. (Fifth Semester)
EXAMINATION, 2016-17**

(New Course)

Paper No. BBA-N-503

INCOME TAX LAW AND ACCOUNTING

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt five questions in all. One question must be attempted from each Unit. All questions carry equal marks.

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1. What is the meaning of Agricultural Income ? What are its types ? Explain any ten incomes which are related to land, but not agricultural income.

Or

Explain the following terms :

- (i) Income
- (ii) Casual Income
- (iii) Assessee
- (iv) Tax Evasion
- (v) Tax Planning

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2. What are the different categories into which the assesses and divided with regard to residence ? Give a brief account of each of them.

Or

Explain the concept of 'Exempted Income'. Discuss clearly the 'Exempted Income' under the Income Tax Act.

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3. Form the following particulars of Shri Shivam Tiwari, a Manager of Private Limited company. Compute his taxable income from salary for the assessment year 2016-17 :

- (i) Basic salary ₹ 40,000 per month.
- (ii) D. A. ₹ 6,000 P.M. (Computed for retirement benefit).
- (iii) Tiffin allowance ₹ 375 per month.
- (iv) Night allowance ₹ 225 per month.
- (v) Own contribution towards R. P. F. ₹ 45,800.
- (vi) Employer's contribution ₹ 61,000.
- (vii) Interest on P. F. during August, 2015 ₹ 42,900 @ 13% per annum.
- (viii) House Rent allowance ₹ 7,200 per month, rent paid for the house ₹ 1,00,000 per annum.
- (ix) Free supply of water and electricity, for which payment was made by the employer ₹ 42,000.
- (x) His employer provided him a motor-car (1.6 Litre cubic capacity of engine for his official as well as private use.

- (xi) Mobile bill paid by employer ₹ 1,500, mobile was in personal use of employee.
- (xii) The company give in gift a Laptop of ₹ 25,800 to Mr. Shivam Tiwari on its founder's day.
- (xiii) Shri Shivam Tiwari paid actual expenses ₹ 3,200 relating to tiffin.

Or

Ms. Seema a resident of Delhi, owns two houses, particulars of which areas belows :

Particulars	House I (₹)	House II (₹)
Standard Rent	76,000	72,000
Municipal value	80,000	90,000
Fair Rent	1,00,000	120,000
Defacto rent (Actual)	—	90,000
Municipal tax paid	12,000	14,500
Fire Insurance premium	1,000	9,000
Water benefit tax (due but outstanding)	1,200	1,500
Interest on loan for construction	45,000	11,500
Rent of lease (due but outstanding)	1,500	1,500

Use of the asset self-rented for occupied residence. Ascertain the taxable income of Mr. Seema for the assessment year 2016-17 from the head house property the house I constructed in Feb., 2016 whereas the house II in 2006.

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4. Dr. Gupta is a medical practitioner of Ludhiana. From the following, calculate his income from profession for assessment year 2016-17 :

	₹
(i) Gross receipts from dispensary	2,35,000
(ii) Gross receipts from consultation	1,65,000
(iii) Operation fees	2,50,000
(iv) Visiting fees	50,000
(v) Gifts from patients	30,000
(vi) Medicines purchased	1,25,000
(vii) Salaries paid to employees	1,50,000
(vii) Surgical equipment purchased	48,000
(ix) Closing stocks of medicines	35,000
(x) Dr. Gupta went to attend a medical seminar in Germany to update the knowledge and spent ₹ 25,000 on it.	
(xi) He owns a house whose municipal value is ₹ 50,000; Half portion of the house is used for profession. Expense on the house Municipal Tax @ 10% on M. V. Repair ₹ 10,000.	
(xii) Medical books purchased ₹ 20,000.	

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Mr. Sankar, a resident individual, submits the following particulars of his income for the year ended 31 March, 2016 :

- (a) Royalty from a coal mine ₹ 20,000.

- (b) Agriculture income in Pakistan ₹ 15,000.
- (c) Salary for a part time job with a firm ₹ 21,000.
- (d) Salary as Member of Parliament ₹ 36,000.
- (e) Daily allowance as M. P. ₹ 15,000.
- (f) His residential house has been taken on a rent of ₹ 1,000 p. m. half of which he has sublet at ₹ 1,200 p. m.
- (g) Dividend received from a Co-operative Society ₹ 5,000.
- (h) He has incurred the following expenses :
 - (i) Paid collection charges ₹ 100 for dividend collection.
 - (ii) ₹ 3,000 spent for earning and collecting royalty.

Compute Mr. Sankar's income from other sources for the assessment year 2016-17.

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5. Explain the following deductions :

- (i) 80DD
- (ii) 80D
- (iii) 80U

Or

Explain the provisions of Income Tax Act for setting off the losses and carry forward of losses.

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