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BASOMC 383

**Choice Based Credit System Sixth Semester B.A. Degree
Examination, September 2022
(2021 – 2022 Batch Onwards)
OFFICE PRACTICE AND MANAGEMENT
Paper – VIII-B : Business Taxation**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **all** the questions.

(5×6=30)

1. Define the term Income, bringing out the essential characteristics of Income.
2. Write a note on 'Ordinarily Resident.'
3. State the conditions for Taxable Leave Encashment exemptions.
4. List out any six Deductions Under Section 80C.
5. Elucidate the provisions of Statutory Provident Fund.

SECTION – B

Answer **any three** questions.

(3×10=30)

6. Krishna left India for the first time on 5th March 2018 after having lived here for 22 years. He returned India on 10th September 2020. Find out his residential status for the Assessment Year 2021-2022.
7. From the following particulars compute the total Income of Mr. Nagesh, if he is:
 - a) OR
 - b) NOR
 - c) NR
 - i) Salary received in Srilanka for services rendered in India Rs. 80,000.
 - ii) Income from business in Germany Rs. 40,000.
 - iii) Profits from business in Bangladesh controlled from Mangalore Rs. 50,000.
 - iv) Dividend on Dutch company shares half of which is received in India Rs. 20,000.
 - v) Past untaxed profits brought to India Rs. 10,000.

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8. From the following particulars compute taxable HRA.
- Basic salary for March of the Previous Year Rs. 15,000.
 - DA at 50% of basic ; HRA at Rs. 3,600 p.m.
 - Annual increment of Rs. 300 falls due in August every year.
 - Rent paid Rs. 4,000 per month.
 - DA is considered for retirement benefit.
9. From the following particulars of Mr. Khan, find out the deductions allowable to him Under Section 80C.

	Rs.
a) Life Insurance Premium	20,000
b) Contribution to unrecognized Provident Fund	3,000
c) Fixed Deposit in SBI for 5 years	30,000
d) Subscription to National Savings Certificates	8,000
e) LIC premium on Mother's policy	5,000
f) Repayment of Bank Loan borrowed for construction of the house	22,000
g) Tuition fee of three children	21,000
h) Accrued interest on NSC	7,000
i) Contribution to Public Provident Fund	15,000

SECTION – C

Answer **any three** questions.

(3×20=60)

10. Define and explain 'agricultural income'. What is its present position ?
11. The following are the income of Sri Rajesh for the previous year :

	Rs.
a) Profit from business in Dubai received in India	2,25,000
b) Income from house property in Israel received in India	50,000
c) Income from house property in Nepal deposited in a bank there	10,000
d) Profit of business established in Denmark, controlled in India	30,000



e) Accrued in India but received in England	3,000
f) Profit earned from business in Puna	1,00,000
g) Income from agriculture in England	10,000
h) Interest on Indian company debentures	16,000
i) Pension from former employer in Bombay, received in America	12,000
j) Dividend on Indian company shares received in Japan	8,000

Determine the taxable income if he is (i) OR (ii) NOR (iii) NR.

12. Avinash retires from service on 28th Feb. of the Previous Year after serving for 30 years, 6 months and 4 days. He received Rs. 2,60,000 as gratuity. His last drawn salary was -Basic Rs. 13,000, DA(fixed) Rs. 1,000. The annual increment of Rs. 200 falls due in January. Compute his taxable gratuity if :
- i) He is covered under the payment of Gratuity Act.
 - ii) He is not covered under the said Act.
13. Mr. Purandara furnishes the following particulars of income for the previous year.
- a) Basic Rs.14,000 p.m.
 - b) D.A. – 20% of his basic
 - c) Bonus – 2 months basic
 - d) Conveyance Allowance since 1st August of Previous year at Rs. 500 p.m.
 - e) Entertainment Allowance Rs. 150 p.m.
 - f) He is provided with a rent free furnished house for which the company pays a rent of Rs. 300 per month. The company also pays Rs. 100 p.m. as the hire charges for the furniture.
 - g) The employer has provided him the services of the gardener and a sweeper who are paid Rs. 400 and Rs. 200 p.m. respectively.
 - h) He contributes 15% of his salary to RPF to which the employer contributes 15%. Interest credited on the accumulated balance of Rs. 3,00,000 is at 10.5% p.m.
 - i) He has paid Rs. 24,500 as LIC premium, Rs.2,400 as profession tax and deposited Rs. 20,000 for 5 years as Bank F.D.

Compute taxable salary and deduction U/S 80C.
