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**BBMBMC 211/BBMBMC 253**

**Credit Based III/IV Semester B.B.M. Degree Examination, September 2022  
(Equivalent Subject in 2012 Syllabus for the Subject in 2006 Syllabus)  
INCOME TAX**

Time : 3 Hours

Max. Marks : 120

***Instruction : Provide the working note wherever necessary.***

**SECTION – A**

Answer **any ten** in **one** or **two** sentences **each** :

**(10×2=20)**

1. a) What is fair rent ?
- b) What is grossing-up of interest ?
- c) Give any two examples for partly agricultural income.
- d) What is gratuity ?
- e) Who is specified employee ?
- f) What is assessment year ?
- g) What are the twin objectives of levying income-tax ?
- h) What is tax-free income ?
- i) State the exemptable limit of commuted pension.
- j) Give the meaning of assessee.
- k) State various heads of income.
- l) What is profession ?

**SECTION – B**

**(8 marks each)**

Answer **any five** :

**(5×8=40)**

2. Explain the various kinds of securities.
3. Explain the rules to determine residential status of an individual.

**P.T.O.**



4. Compute the total income of Ms. Zeba from the following particulars if he is
- i) Ordinarily resident
  - ii) Not ordinarily resident
  - iii) Non resident.
- a) Income from salaries received in Bangalore Rs. 4,00,000.
  - b) Profit from business in Delhi Rs. 2,00,000.
  - c) Income from house property in Japan Rs. 5,00,000.
  - d) Profit from business in Kerala Rs. 2,00,000.
  - e) Income from House Property in Mumbai Rs. 1,00,000.
  - f) Interest on German Development Bonds ( $\frac{1}{2}$  received in India) Rs. 50,000.
  - g) Income from agriculture in Mysore Rs. 25,000.
  - h) Past untaxed profits brought to India Rs. 10,000.
5. Mr. Yogeesh sold the residential house for Rs. 40,00,000 in November 2021. This house was purchased in 2002-03 for Rs. 7,00,000. He spent Rs. 2,00,000 in 2005-06 for additions to the house. The expenses on transfer amounted to Rs. 40,000. In June 2022 he purchased another house for Rs. 7,00,000 and deposited Rs. 1,00,000 in CGAS. Calculate taxable long-term capital gain.
- CII for 2021-22 : 317  
2002-03 : 105  
2005-06 : 117
6. Mr. Xavier furnishes the following particulars of his income for the P.Y.
- a) 10%, Rs. 20,000 tax free debentures of a company.
  - b) 12%, Rs. 40,000 tax free central government securities.
  - c) 5%, Rs. 20,000 Karnataka Govt. bonds.
  - d) Winning from horse race Rs. 70,000 (net).
  - e) Directors fees Rs. 10,000.
  - f) Interest on bank fixed deposit Rs. 4,000.
  - g) Winning from lottery Rs. 35,000 (net).
  - h) Royalty income from publication of book Rs. 10,000.
- Compute the income from other sources.



7. Compute taxable amount of HRA of Ms. Veena from the following particulars :
- a) Basic salary Rs. 30,000 p.m.
  - b) D.A. Rs. 2,000 p.m (for PF).
  - c) HRA Rs. 6,000 p.m.
  - d) Actual rent Rs. 7,000 p.m.
8. Calculate the qualifying amount u/s 80 C for the P.Y.
- a) LIC policy premium on own life policy Rs. 20,000.
  - b) LIC premium on wife's life Rs. 15,000.
  - c) Contribution to ULIP of UTI Rs. 5,000.
  - d) Contribution to RPF Rs. 10,000.
  - e) Deposit in bank for 2 years Rs. 2,000.
  - f) Repayment of home loan Rs. 45,000.
  - g) Investment in NSC Rs. 20,000.
  - h) Contribution to URPF Rs. 5,000.

**SECTION – C**  
**(20 marks each)**

Answer **any three** of the following :

**(3×20=60)**

9. Mr. Umesh is working as Chief Marketing Executive in a limited company. He has furnished the following information :
- a) Basic Rs. 25,000 p.m.
  - b) D.A. Rs. 5,000 p.m.
  - c) Bonus 1 month basic.
  - d) CCA Rs. 400 p.m.
  - e) Education allowance Rs. 200 p.m. per child for two children.
  - f) He contributes 13% of his salary to RPF to which employer also contributes equally. Interest credited on the accumulated balance at 10.5% is Rs. 10,500.
  - g) He is provided with the rent free furnished house owned by the company. The company also furnished the house with furniture worth Rs. 1,00,000 (Population more than 25 lakhs).
  - h) He is provided with the services of gardener and watchman who are paid Rs. 800 p.m. and Rs. 1,000 p.m. respectively.
  - i) During the year he has paid Rs. 10,000 as LIC premium, Rs. 15,000 as contribution to PPF and professional tax of Rs. 2,400.

Compute his taxable salary and deduction u/s 80C.



10. Compute income from house property of Mr. Tarun from the following particulars:

Particulars	I	II	III	IV
Purpose	LOHP	LOHP	SOHP	LOHP
Municipal value (Rs.)	38,000	43,000	45,000	50,000
FRV (Rs.)	35,000	45,000	55,000	45,000
Rent received (Rs.)	40,000	50,000	–	58,000
Standard rent (Rs.)	36,000	47,000	60,000	55,000
Interest on housing loan (Rs.)	6,000	8,000	4,000	–
Municipal tax paid (Rs.)	4,000	5,000	–	3,500
Vacancy	–	2 months	–	1 month
Repairs (Rs.)	1,000	–	–	2,000

11. Given below is the summary of cash transaction of Ms. Suma a C.A. Compute her gross total income.

	Rs.		Rs.
To Audit fees		By Office expenses	
2018-19	2,000	2019-20	1,000
2019-20	1,56,000	2020-21	9,000
2020-21	1,210	By Office rent	4,500
To Consultation fees	10,000	By Salaries	12,500
To Miscellaneous	35,000	By Stationery	1,000
To Int. on Govt. securities	10,000	By Subscription to journals	3,000
To Rent received	10,000	By Books	6,300
To Gift from clients	9,050	By Travelling exp.	5,800
To Dividend	1,000	By Donation	8,000
		By Balance	1,83,160
	<b>2,34,260</b>		<b>2,34,260</b>

Rate of depreciation on books at 40%.

12. Explain different types of provident fund.

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