

## Second Year BBM Degree Examinations

August / September 2010

Directorate of Correspondence Course

**COMMERCE**

(Freshers)

**Taxation**

Time: 3hrs.]

[Max.Marks : 80

### SECTION – A

I. Answer any **THREE** questions Each carries 5 marks :

5 x 3=15 Marks

1. Write a note on Assessee.
2. Define a company in which the public are substantially interested.
3. Mr. Shahid is getting a monthly salary of Rs. 20,000. Dearness pay of Rs. 2000 and HRA of Rs. 2000. He is paying a rent of Rs. 3000 p.m at Shivamogga.  
Compute taxable portion of his HRA.
4. Mr. Anis came to India for the first time on 1<sup>st</sup> November 2007. During his stay in India upto 30<sup>th</sup> October 2008, he stayed at Mumbai upto 10<sup>th</sup> May 2008 and thereafter remained in Bangalore till his departure from India. Determine his residential status for the Assessment year 2009-10.
5. After serving 35 years and 8 months in BK Ltd. Mr. Suraj retires from service on 31.12.2008. He is covered under the payment of Gratuity Act 1972 and received a gratuity of Rs. 2,00,000. His particulars of salary of the month immediately preceding retirement were:  
Basic salary Rs. 9000 p.m D.A Rs. 4000 pm, HRA Rs. 400 pm. Compute his taxable gratuity from the above detail.

### SECTION – B

II Answer any **TWO** questions. Each carries 10 marks :

10 x 2=20 Marks

6. List out any 20 exempted incomes u/s 10.
7. Explain the provisions of set-off and carry forward of losses.
8. Mr. Rahul furnished the following particulars of his income for the PY. 2008-09.  
Compute his total income for the A.Y 2009-10  
a) Pension received from Government of India Rs. 96,000

- b) Income from house property Rs. 8,400
- c) Income from agency business Rs. 50,000
- d) Loss from cloth business Rs. 70,000
- e) Profits from speculation business Rs. 5,000
- f) Short term capital gain Rs. 4,000
- g) Long term capital gain Rs. 19,500
- i) Income from other sources Rs. 10,000

The carry forward losses from A.Y 2008-09 are:

- i) Loss from agency business Rs. 1500
  - ii) Speculation losses Rs. 6,000
  - iii) Loss from house property Rs. 4,500
  - iv) Short term capital loss Rs. 6,000
  - v) Long term capital loss Rs. 6,500
  - vi) Loss from interest on securities Rs. 1200
9. From the following information compute deduction U/s 80C available to Mr. Bharat for the AY 2009-10
- a) Premium paid on his own life Rs. 5000
  - b) Premium paid on life policy of his son Rs. 16,000
  - c) Premium paid on married daughters life policy Rs. 1000
  - d) Contribution to recognized provident fund Rs. 5000
  - e) Contribution to PPF Rs. 4000
  - f) Investment in NSC VIII issue Rs. 10,000
  - g) Repayment of housing loan to LIC Rs. 25,000
  - h) Tuition fees of children Rs. 10,000
  - i) Contribution to ULIP Rs. 5000
  - j) Contribution to URPF Rs. 5,000

### SECTION – C

III Answer any **THREE** questions. Each carries 15 marks :

15 x 3=45 Marks

- 10. What are the provisions of agricultural income? Explain
- 11. How do you determine the residential status of an individual?
- 12. Mr. Anand had the following incomes during the P.Y. 2008-09
  - a) Profits from business in Bangalore Rs. 25,000
  - b) Pension in India received in Singapore Rs. 15,000

- c) Income from property in Srilanka received in India Rs. 10,000
  - d) Profits from profession in Bangladesh Rs. 12,000
  - e) Income from business in Ghana controlled from India Rs. 10,000
  - f) Dividend in Indian Co. shares received in Japan Rs. 10,000
  - g) Gifts received from uncle Rs. 5,000
  - h) Interest on Dutch Govt. securities (1/2 received in India) Rs. 5,000
  - i) Past untaxed income from U.K brought into India Rs. 10,000
  - j) Agricultural income in Pakistan Rs. 90,000
- Compute his total income if he is (a) OR (b) NOR (c) NR

**13.** Mr. Akash is the principal of a college in Bangalore. Compute his taxable salary for the AY 2009-10 from the following particulars

- a) Basic pay Rs. 12,000 pm
- b) D A Rs 3000 P.m (paid under the terms of employment)
- c) He contributes 16% of his basic pay and DA to RPF. The employer also contributes the same amount.
- d) Education allowance for 3 children Rs. 6000
- e) Medical allowance Rs. 8000, actual amount spend Rs. 3000
- f) Telephone bills paid by employer Rs. 6,000
- g) Sweeper, servant, watchman at a salary of Rs. 300 pm per person appointed and paid by employer.
- h) Surrender of earned leave and got Rs. 15,000
- i) LIC premium paid by employer on the life of AKash Rs. 5,000
- j) He paid professional tax Rs. 2,000
- k) Group insurance premium paid by the employer Rs. 1560
- l) HRA received pm Rs. 3000. Acutal rent paid Rs. 4000 p.m

**14.** From the following profit and loss a/c of Mr. Prasad for the year ending on 31.3.2009. Compute his total income for the AY 2009-10.

Profit and Loss Account on 31.3.2009

	Rs.		Rs.
Salaries	1,10,000	Gross profit	3,00,000
Rent of premises (belong to assessee)	10,000	Commission	8,200
Fire insurance premium	2,000	Interest on Govt.securities	1,800
		Bad debts recovered (Previously allowed)	2000