



GS-547

VI Semester BBM Examination, May/June - 2019

BUSINESS MANAGEMENT

Paper - 6.3 : INCOME TAX

(Repeaters 2014 - 15 & Onwards)

Time : 3 Hours

Max. Marks : 100

Instruction : Answer should be written in **English** only.

SECTION - A

1. Answer **any eight** sub-questions. Each sub-question carries **2** marks. **8x2=16**
- Who is an Assessee ?
 - Define Person.
 - What is Casual Income ?
 - Who is Non-Resident ?
 - Define Agricultural Income.
 - State any 4 Exempted Incomes.
 - Define Perquisite under IT Act.
 - What is Vocation ?
 - What do you mean by short term capital Asset ?
 - What is Fair Rental Value ?

SECTION - B

Answer **any three** questions. Each question carries **eight** marks. **3x8=24**

- Mr. Ramu went to England for studies on 5th August 2017 and came back to India on 25th February 2018. He had never been out of India before. What is Residential status for the A.Y. 2018 -19 ?
- Mr. Sunder retired from service on 31st March 2017. His pension was fixed at ₹ 6,000 pm. He commutes one-half of his pension and received ₹ 3,00,000. Find out the Taxable amount of commuted pension, If :
 - He is a Govt. Employee
 - He is a Non-Govt. Employee who also gets gratuity.
 - He is a Non-Govt. employee who does not get any gratuity.

P.T.O.



4. Mr. Maruthi is working as a Manager in TPL Ltd. Bangalore. His salary Income details are as follows :

Basic salary ₹ 15,000 P.M.

Dearness allowance ₹ 5,000 P.M.

Commission 45,000 P.A.

E.A. 1,000 P.M.

HRA 7,500 PM (Rent paid ₹ 9,000 P.M.)

Compute taxable salary for the A.Y. 2018-19.

5. Mr. Sharath owns two Houses in Bangalore, he has let out both the houses throughout the year for Residential purpose.

Particular	House - I	House - II
Municipal value	4,00,000	12,00,000
Fair Rental value	7,20,000	7,20,000
Rent Received	4,80,000	8,00,000
Standard Rent	6,00,000	6,00,000
Repairs	72,000	1,00,000
Municipal Tax	40,000	40,000
Insurance	10,000	10,000
Int on loan	10,000	---

Compute Net Annual value for the A/Y 2018-19

**SECTION - C**

Answer question No. 10 and **any 3** of the remaining questions. Each question carries **15** marks. **4x15=60**

6. Following are the Taxable Incomes of Mr. Karthik for the previous year 2017-18.

- (a) Profit from Hotel Business in Sydney ₹ 10,000
- (b) Dividend declared in Paris but received in India ₹ 60,000
- (c) Income from sale of long term Asset in India ₹ 1,10,000
- (d) Royalty Received in India ₹ 1,00,000
- (e) Dividend from Domestic Co. ₹ 30,000
- (f) Income from England ₹ 1,00,000 $\frac{1}{2}$ Received in India.
- (g) Income earned in Bangalore but received in Singapore ₹ 60,000
- (h) Rural Agricultural Income in India ₹ 3,00,000
- (i) Int on Post Office saving A/c ₹ 1,00,000
- (j) Profit from Business in Mysore, the control is from U.S.A. ₹ 30,000

Compute his gross total income for the A.Y - 2018 - 19. If He is (1) Resident (2) Not ordinary resident (3) Non-Resident.

P.T.O.



7. Mr. Pradeep is an Employee in Indian Company Ltd at Hyderabad. He gives the following information for A.Y 2018 - 19.

- (a) Basic salary ₹ 8,000 P.M.
- (b) D.A. ₹ 6,000 P.M. (50% Enters into refinement benefit)
- (c) Family allowance ₹ 600 P.M.
- (d) CCA ₹ 1,000 P.M.
- (e) Education Allowance for 2 childrens at ₹ 350 per month per child.
- (f) Entertainment allowance ₹ 30,000 P.a.
- (g) HRA 1,600 P.M. But He pays rent ₹ 3,000 P.M.
- (h) Company has paid his Income Tax ₹ 2,000
- (i) Conveyance allowance ₹ 8,000 for visiting the branches (fully spent)
- (j) He and the company contribute 14% of Salary Towards the RPF.
- (k) Int on RPF was ₹ 15,000 at 15% P.a.
- (l) Company provides a small car for personal and official purpose the entire expenses of ₹ 30,000 met by company.

Compute his Taxable Income from salary in the A.Y - 2018-19

8. Mr. Mukesh is owner of three houses in Bangalore.

Particular	House - I	House - II	House - III
Fair Rent	18,000	15,000	12,000
Municipal value	15,000	20,000	10,000
Actual Rent (per month)	2,000	1,500	2,500
Municipal Tax	1,000	2,000	1,000
Repairs	2,000	1,000	-
Collection charges	2,000	1,000	2,000
Vacancy period	2 Months	Nil	Nil
Unrealised rent	2,000	1,000	Nil
Int on loan	5,000	10,000	Nil

Compute Taxable Income from House property for the A.Y-2018-19.

- From the P and L A/c of Mr. Ramesh for the year ended 31.03.2018 compute the Income from Business for the A.Y - 2018 - 19.

Particular	Amount	Particular	Amount
To Office exp	40,000	By G/P	6,40,000
To General exp	16,000	By Int on Bonds	11,200
To Int on Bank	4,000	By Discounts Received	16,000
To Audit Fees	4,000	By Bad debt recovered (Allowed Earlier)	800
To Int. on Capital	12,000	By Dividend	32,000
To Rent	20,000		
To Provision for income Tax	16,000		
To Charity	8,000		
To Legal expenses	4,000		
To Depreciation	20,000		
To Extension of Building	36,000		
To GST	8,000		
To N/P	5,12,000		
	7,00,000		7,00,000

Additional Information :

- (1) General Charges Included ₹ 8,000 towards purchase of computer.
- (2) Depreciation allowed ₹ 12,000. As per Income Tax Rule (Including Computer).
- (3) Legal Expenses Include ₹ 1,000 related to House property
- (4) Office expenses includes ₹ 5,000 paid as salary to his wife. Who casually helps in the business.

P.T.O.



10. Dr. Punitha Submits the following particulars, calculate the Income from profession for the A/Y -2018 -19.

Particulars	Amount	Particulars	Amount
To opening balance b/d	25,000	By salary	36,000
To consultation fee's	75,000	By Purchase of medicines	18,000
To visiting fee's	62,500	By Books purchased	10,000
To Agricultral Income	40,000	By purchase of car	2,40,000
To Int. on Bank deposits	10,000	By car expenses	20,000
To Gift from Patients	15,000	By Computer purchased	50,000
To Rent from HP	48,000	By personal exp	45,000
To Operation charge	2,40,000	By Income Tax	15,000
To Sale of medicines	32,500	By LIC premium	10,000
		By Int. on loan	12,500
		By Advertisement	35,000
		By closing Balance c/d	56,500
	5,48,000		5,48,000

Additional Information :

- (1) 25% of car expenses relates to personal use.
- (2) Rate of Depreciation on books 100%, car 15% and computer 60%.
- (3) A cash gift of ₹ 2,500 received from a patient was not recorded in the books.
- (4) Personal expenses includes ₹ 5,000 donation paid on political party.

Compute taxable Income from profession for the A/Y 2018 - 19.

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