

(Please write your Roll No. immediately)

Roll No.

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END-TERM EXAMINATION

FIFTH SEMESTER [BBA/BBA(H)] - JANUARY 2005

Paper Code: BBA 311 Subject: Income Tax Laws and Planning

Time : 3 Hours

(Reappear)

Maximum Marks : 75

Note: Attempt six questions in all including Q.1 which is compulsory.
Q.1 carries 15 marks and remaining questions carry 12 marks each.

- Q.1 (a) What are the provisions related to standard deduction for the assessment year 2003-2004.
(b) What are the provisions relating the rebate under sec 88 of the Income Tax Act, 1961 for the assessment year 2003-04.
(c) Mr. Sunil has total income (other than agriculture income) Rs.1,50,000 and his agriculture income is Rs.25,000. Calculate the taxable income under the Income Tax Act, 1961 for the assessment year 2003-2004.
- Q.2 (a) In what circumstances a transfer of capital asset is not treated as transfer for the purpose of computation of capital gain?
(b) What do you mean by 'Dividend' under Income Tax act? Discuss the concept of deemed dividend.
- Q.3 (a) In case of an individual, in what circumstances, the income of other persons can be clubbed in his income?
(b) What do you mean by regular assessment under the Income Tax Act.
- Q.4 (a) What is the method of 'valuation of gratuity'?
(b) Can the following expenses claimed on due basis? If so, under what circumstances: -
(i) Sale-Tax;
(ii) Contribution by employer to provident fund;
(iii) Bonus commission to employers
(iv) Interest on loan from banks
(v) Leave encashment
- Q.5 (a) X Trader is a partnership firm which furnished the following figures: -
Business income before deduction of salary and interest to partners is Rs.2,50,000. Interest to partners @ 18% is Rs.1,10,000; salary to working partner is Rs.72,000. The firm is eligible for deduction section 80 1B, as it satisfied all the conditions prescribed there in compute the taxable income of the firm for the assessment year 2003-2004.

- (b) X converts his capital asset (acquired on June 10,1967 for Rs.70,000, fair market value on April 1, 1981: Rs.1,80,000 in stock-in-trade on March 10, 1999 (fair market value: Rs.4,80,000) and subsequently, sells the stock-in-trade so converted for Rs.7,30,000 on June 10,2002. determine the amount of assessable profit.

- Q.6 Compute taxable salary income if Mr. Z at Kanpur for the assessment year 2003-2004 based in the following information: -

	Rs.
Salary @ Rs.4,000 p.m. (serving since 1.4.1992)	48,000
Entertainment allowance	5,000
Bonus	10,000
Dearness allowance (not recognized for computing retirement benefit)	2,000
Employer's contribution to PF (recognized)	4,000
Education allowance for one child	2,700
Lunch allowance	7,200
Rent-free unfurnished quarter (valued)	6,000
Medical expenses met by employee	600
Reimbursement of hotel bills (necessary for employees)	100
Employees contribution to PF duty	2,000
Premium of Mrs.Z's (life policy of Rs.50,000)	6,000
Purchase of books necessary for duty	1,000
Share of HUF	50,000

- Q.7 State the objectives of: -
(a) Double taxation avoidance agreements
(b) Advance ruling

- Q.8 State the assets which are exempt from wealth-tax.

