

(Please write your Roll No. immediately)

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# END-TERM EXAMINATION

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

Paper Code: BBA 311 Subject: Income Tax

Time : 3 Hours

Maximum Marks : 75

Note: Attempt any five questions. All questions carry equal marks.

- Q.1 How is residence of assesses determine for income tax purposes? Explain the incidence of residence on tax liability.
- Q.2 What are the provisions of Income Tax Act regarding the following: -  
(a) Gratuity  
(b) Encashment of earned leave  
(c) Commutation of pension
- Q.3 Explain clearly the deductions that are expressly allowed in computing the income from business under the Indian Income Tax Act, 1961.
- Q.4 Mr. Singh is a Trader, Particulars of his income and those of the members of his family are given below. These income relate to the previous year 2002-03:  
(a) Income from business-Mr. Singh Rs.1,90,000  
(b) Salary derived from a school by Mrs. Singh Rs.1,50,000. She is Principal of the school.  
(c) Interest on company deposits derived by master Deep Singh (minor son). These deposits were made in the of Mr. Deep Singh by his grand father about six years ago Rs.12,000  
(d) Receipts from sale of paintings and drawings made by minor Dipali Singh (daughter of Mr. & Mrs. Singh and a noted child artist). Rs. 60,000  
(e) Income by way of lottery earnings by master Dipender Singh (minor son of Mr. Singh) Rs. 6,000  
Discuss whether the above income will form part of the assessable income of any individual and also compute the assessable income of Mr. Singh.
- Q.5 Write notes on deductions allowed in respect of the following: -  
(a) Deduction in respect of Profits form business of collecting and Processing of Bio-degradable waste.  
(b) Deduction in respect of Employment of New regular workmen.  
(c) Deduction in respect of Dividend, Interest income.

- Q.6 From the following information compute taxable income for the assessment year 2003-04: -  
Income form business-letting cycles on hire Rs.40,000  
Lease rent received form lands given to tenants for agricultural operations Rs. 48,000  
Sale of agricultural produce (landlord's share) Rs.30,000  
Sale proceeds of agricultural land situated in a village Rs.1,20,000  
Fixed deposit interest (gross) from companies on deposits made of sale proceeds of land Rs.18,000  
Dividend (Gross) from an Indian company having rubber plantations Rs.6,000  
Salary received as a partner from a firm manufacturing Tea Rs.36,000  
Payment of Government tax on agricultural lands Rs.6,000  
Expenses on power, irrigation, cess and farms labour Rs.10,000  
Purchase of seeds Rs.1,000  
Tractor hire charges (for agricultural operations) Rs.2,500  
Your answer must indicate reasons for the treatment given to items mentioned above.
- Q.7 Write note on the following: -  
(a) Voluntary Return of Income  
(b) Revised Return of Income  
(c) Defective Return of Income
- Q.8 What do you understand by Advance Payment of Tax? Explain clearly the provisions of the Income Tax Act in this respect.

