

JK Lakshmipat University Jaipur

INSTITUTE OF MANAGEMENT

End Term Examination, 2024
BBA, Semester VI (Backlog), 2023-24

Roll No.....

FA1110: DIRECT TAXATION

Time: 2 hours

Max. Marks: 40

Instructions to students:

1. Do not write anything other than your roll number on question paper.
2. Mention all the assumptions for your answers clearly.

Questions from 1.1 to 1.10 carry 2 marks each.

- Q.1.1 What is the maximum amount of deduction allowed under Section 24 for interest paid on a home loan for a self-occupied property?
- a. Rs. 1 lakh C) Rs. 1.5 lakhs
 - b. Rs. 2 lakhs D) Rs. 2.5 lakhs
- Q.1.2 What is the tax treatment for the Leave Encashment received by an employee in India?
- a. Fully taxable c. Partially taxable
 - b. Fully tax-exempt d. Taxable only for government employees
- Q.1.3 Which of the following is not a type of taxpayer under the Income Tax Act?
- a. Resident Individual c. Non-Resident Individual
 - b. Hindu Undivided Family (HUF) d. Foreign Authority
- Q.1.4 Which of the following is not a permissible deduction under Income Tax Act?
- a. Education Loan Interest c. House Rent Allowance
 - b. Medical Expenses d. Personal Expenses
- Q.1.5 What are the three categories of residential status for individuals under the Indian Income Tax Act?
- a. Resident, Non-Resident, HUF
 - b. Resident, Non-Resident, Not Ordinary Resident
 - c. Resident, Foreign National, Resident but Not Ordinarily Resident
 - d. Resident, Non-Resident, Company
- Q.1.6 What is the maximum amount of deduction allowed under Section 24 for repairs, maintenance, and other expenses of a property?
- a. 10% of NAV c. 20% of NAV
 - b. 30% of NAV d. 40% of NAV
- Q.1.7 As per Budget 2023, what will be the tax free income for FY 2023-24?
- a. 2.5 Lakh b. 5 Lakh
 - c. 7 Lakh d. 7.5 Lakh

- Q.1.8 What is the maximum amount of deduction allowed under Section 24 for interest paid on a home loan for a let-out property?
- No limit
 - Rs. 2 lakhs
 - Rs. 1.5 lakhs
 - Rs. 2.5 lakhs
- Q.1.9 What is the formula for calculating Net Annual Value (NAV) of a property?
- NAV = Gross Annual value – Municipal Taxes
 - NAV = Gross Annual Value - Unrealized Rent
 - NAV = Gross Municipal Value - Vacancy Allowance
 - NAV = Gross Municipal Value - Municipal Taxes
- Q.1.10 Which of following components of a salary package is typically tax-free for an employee in India?
- Basic Salary
 - Special Allowance
 - House Rent Allowance
 - Conveyance Allowance

Questions from 2.1 to 2.5 carry 2 marks each.

- Q.2.1 Ms. Singdha stayed in India from 01st April 2019 to 31st July 2019 and again from 01 September 2019 to 30 November 2019. Is she an Indian resident for the financial year 2019-2020?
- Q.2.2 Explain the components that constitute 'Salary' for taxation purposes.
- Q.2.3 Explain the tax implications of 'House Rent Allowance' for employees.
- Q.2.4 Discuss the tax implications for a resident and non-resident individual in India.
- Q.2.5 Explain the criteria for 'Ordinarily Resident' in the context of determining residential status.

Questions from 3.1 and 3.2 carry 5 marks each.

- Q3.1) Ascertain Mr. Om's residential status for the assessment year 2023-24 (financial year 2022-23) based on the following information: (LO 1,2)
- During the financial year 2022-23, Mr. Om stayed in India for 50 days.
 - In the financial year 2021-22, he was in India for 100 days.
 - For the financial year 2020-21, his presence in India was 90 days.
 - In the financial year 2019-20, he stayed in India for 120 days.
 - During the financial year 2018-19, his stay in India amounted to 50 days.
 - Determine whether Mr. Om's residential status for the assessment year 2023-24 is 'Resident,' 'Non-Resident,' or 'Resident but Not Ordinarily Resident'.
- Q3.2) What is the taxable income from house property for Mr. Vimal, who owns two residential properties in the financial year 2022-23? Property A is occupied by the owner, and B is rented. B was rented out for the 11 months in a year. Calculate Mr. Vimal's taxable income from these properties. (LO 2)
- Property A (Owner-Occupied):*
Municipal Taxes Paid Annually: Rs. 15,000, Home Loan Interest: Rs. 2,50,000. The property was self-occupied throughout the year.
- Property B (Rented Out):*
Monthly Rental Income: Rs. 40,000, Annual Municipal Taxes Paid: Rs. 20,000, Home Loan Interest: Rs. 1,50,000.