



JK Lakshmipat University. Jaipur

Institute of Management

END TERM EXAMINATION, APRIL-2015



BBA Sem IV
MM: 50 Marks

Subject Code: BBA 042

Course: Introduction to Taxation
Time: 3 Hours

Attempt any three questions from Section A. Each question carries 10 marks. Section B is Compulsory. All sub-parts of questions are equally marked. For answering the questions, AY2014-15 may be considered as reference.

SECTION A

- Q1.** What do you know about the structure of Taxation in India? Elaborate.
- Q2.** (i) Enumerate the conditions for a person to be R, NOR and NR in India. Give examples.
(ii) During the previous year 2013-14, Smith, a foreign national (not being a person of Indian origin), visits India for 64 days. Determine his residential status for the assessment year 2014-15 on the basis of the following information: (a) During 2009-10, Smith is present in India for 265 days. (b) During 2007-08 and 2006-07, Smith is in India for 30 and 165 days respectively.
- Q3.** Mr. Somnath is employed with a private company in Jaipur since 2006. During the previous year 2013-14, he received Rs.45,000 per month as salary and Rs.25,000 per month as dearness allowance (60 per cent is considered for retirement benefit) besides Rs.10,000 as special allowance. The Employer annually contributes Rs.50,000 towards NPS and Somnath puts in an equal amount from his side. Income of Somnath from other sources is Rs.1,25,000. He deposits Rs.30,000 each year into PPF and Rs.10,000 into a Pension Policy of LIC. Compute his Total Income and the Final Tax Liability.
- Q4.** (i) Discuss the exemptions under section 10 of the Income Tax Act.
(ii) Mr. Kohli, who resides in Nagpur gets Rs.2,55,000 per annum as basic salary. He receives Rs.1,02,000 per annum as house rent allowance and pays Rs.1,27,550 as house rent. Determine the amount of house rent allowance chargeable to tax for the assessment year 2014-15.
- Q5.** Write short notes on any two of the following:
(a) Income from Capital Gains
(b) Income from Other Sources
(c) Clubbing of Income
(d) Agricultural Income
(e) Filing of return

(P.T.O.)

SECTION B

Q6. Mr. Patel, aged 61 years has occupied two houses for his residential purposes, particulars of which are as follows:

Particulars	House I (Rs.)	House I (Rs.)
Municipal Valuation	30,000	90,000
Fair Rent	28,000	95,000
Standard Rent under the Rent Control Act	20,000	80,000
Municipal Taxes paid	3,000	9,000
Interest on borrowed capital	400	1,200
Repairs	Nil	100

Business income of Mr. Patel is Rs.3,86,000. Besides, he is employed by a private limited company on a monthly salary of Rs.12,500. Every year, he contributes Rs.50,000 towards PPF. Determine the taxable income and tax liability of Mr. Patel for the assessment year 2014-15.

OR

Q6. Find out the written down value and depreciation allowance for different blocks on March 31, 2014 (i.e., the assessment year 2014-15) in the case of x Ltd. from the information given below –

Block of Assets	Rate of Depreciation (per cent)	Depreciated value on April 1, 2013 (Rs.)
1. Plant A and B	15	3,40,000
2. Building A	10	16,92,000

After April 1, 2013, the company purchases the following assets:

Assets	Date of Purchase	Rate of Depreciation (per cent)	Actual Cost (Rs.)
Plant C	April 1, 2014	15	19,26,000
Building B	March 30, 2014	10	5,00,000
Patent A	April 10, 2013	25	15,000

The following assets are transferred by X Ltd.:

Assets	Date of Sale	Sale Consideration (Rs.)
Plant B	November 1, 2013	4,10,000
Building A	May 10, 2013	22,00,000
Patent A	March 1, 2014	15,500

ALL THE BEST!!!