

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2019– 2020 and thereafter)**

**B.B.A. DEGREE EXAMINATION NOVEMBER 2024**  
**BUSINESS ADMINISTRATION**  
**FIFTH SEMESTER**

**COURSE** : **MAJOR – CORE**  
**PAPER** : **BUSINESS TAXATION**  
**SUBJECT CODE** : **19BA/MC/BT54**  
**TIME** : **3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:**

**(10 x 2 = 20)**

1. What is input tax credit?
2. Who is a resident?
3. Find the indexed cost for the assessment year 2024-25 in the following cases:  
(a) Cost of plot acquired in 2006-07 for Rs 250,000  
(b) Cost of house purchased in 1995-96 for Rs 20,000. FMV on 01-04-2001 being Rs.50,000  
[C.I.I. for 2001-02= 100; for 2006-07 = 122; for 2023-24 = 348]
4. Ms. Beta works in a private firm. Her gross salary is Rs.402,700. Professional tax paid during the year amounts to Rs. 1,200. Find out her taxable salary.
5. Children educational allowance received by Balan is Rs.500 per month for his 2 children during 2023-24. What is taxable educational allowance?
6. What are the deductions allowed under the head income from house property?
7. State any two inadmissible expenses.
8. List out the provision applicable for 80D deduction under IT Act.
9. Ms. YZ 's total income is Rs 720,064. Calculate the tax payable for the assessment year 2024-25.
10. Define GST.

**SECTION – B**

**ANSWER ANY 5 QUESTIONS:**

**(5 x 8 = 40)**

11. Enumerate the basic conditions to determine the residential status of an Individual.
12. Mr Venu an employee of a Ltd. Company, working at Madurai (population 18 lacs) draws Rs.60,000 as basic salary. Rs.5,000 as dearness allowance (Forming part of salary) and Rs.6,000 as commission. The company provides a rent-free unfurnished house to him. The house is owned by the company. Fair rent of the accommodation is Rs.5,000 per annum. Income tax, Gas, Water, Electricity bills paid by employer Rs.4,000 and Rs.6,000 respectively. Determine the taxable value of perquisite, in respect of rent-free accommodation.
13. Mr. David is the owner of two houses, in respect of these he has furnished the following particulars:

Particulars	House A	House B
Date of completion of construction	(31-3-1996)	(1-7-2000)
Municipal Rental Value	3,60,000	6,00,000
Actual rent received	3,00,000	60,000 pm
Municipal taxes paid	36,000	30,000 Due
Ground rent	1,000	7,800
Interest on loan taken for construction	50,000	1,82,000

Compute his income from house property for the assessment year 2024-25. Out of the municipal taxes of House 'A', Rs.18,000 are paid by tenant.

14. Mr. Anand, a manufacturer, acquired a factory building on June 10,2016 for Rs.30,00,000. The building is acquired by the government on May 5,2018 for which a sum of Rs.70,00,000 is paid as compensation on February 5, 2024. Ascertain the amount of capital gains. The building is subject to depreciation at 10% p.a. Mr. Anand purchases another factory building on June 3,2024 for Rs.40,00,000.

15. Mr. Kannan owns horses at Bangalore and Delhi. The horses run in races at the respective race courses. During the year 2023-24. Mr. Kannan submits the following information.

Particulars	Rs
Expenses on race horses at Bangalore	4,00,000
Expenses on race horses at Delhi	6,00,000
Stake money earned by horses at:	
a) Bangalore	5,00,000
b) Delhi	3,00,000
Mr. Kannan received cash on betting during horse races at Bangalore	1,26,000

Kannan also received Rs 49,000 as lottery winnings and his winning from card games were Rs.20,000, during the year. Compute the income from other sources of Kannan for the assessment year 2024-25.

16. From the following, compute the taxable income under the head income from business, profit before adjusting the following items is Rs.5,50,000

Administration expenses	10,000
Trade expenses	5,000
House hold expenses	3,000
Discount allowed	4,000
Income Tax	400
Provision for bad debts	2,000
Bad debts	3,000
Donation to P.M. National Relief fund	4,000
Legal fee	200

17. Enumerate the components of GST.

## SECTION – C

ANSWER ANY 2 QUESTIONS:

(2 x 20 = 40)

18. From the profit and loss account given below, calculate the taxable business income of the partnership firm for the year ending 31<sup>st</sup> March 2024.

	Rs		Rs
Opening Stock	160,000	Sales	800,000
Purchases	560,000	Commission	50,000
Wages	50,000	Interest	20,000
Salaries	40,000	Closing Stock	180,000
Bad debts	1,500		
Rent	10,000		
Interest	10,000		
General charges	15,000		
Income-tax	25,000		
Legal charges	8,000		
Insurance	2,500		
Conveyance	8,000		
Depreciation	30,000		
Bad debts reserve	5,000		
Net profit	125,000		
	10,50,000		10,50,000

Following information was deducted from the scrutiny of the accounts:

- (i) Salaries include payment of salary to partners A and B, Rs 24,000 and Rs 10,000 respectively
  - (ii) Rent includes rent paid to partner B, Rs 6,000
  - (iii) Travelling expenses of Rs 6,000 were spent on a tour to the U.K. by partner B to canvas for business, which is included in general charges
  - (iv) Legal charges include: Penalty paid for violation of custom rules Rs. 5000
  - (v) General charges include a purchase of furniture of Rs. 3500
  - (vi) Half of the conveyance expenses are related to private use of the partners.
  - (vii) New machinery of Rs 50,000 was installed during the year. The unit is engaged in the production of pesticides.
  - (viii) Allowable depreciation on all assets including new P & M and Furniture amounts to Rs. 35,500
  - (ix) Purchases from a firm worth Rs 60,000 were paid by a bearer cheque
  - (x) Partners were not entitled to salary as per partnership agreement
19. The following are the incomes of Mr. Kunal for the previous year 2023-24:
- i. Profits from business in Australia received in India Rs.15,000, Profits received from business in Chennai- Rs.10,000.
  - ii. Income from HP in U.K received in India Rs.10,000; Income on Indian Government securities received in India Rs.1,00,000.
  - iii. Income from HP in USA deposited in a Bank there Rs.1,00,000 (Computed).
  - iv. Profits earned and received from business in Mumbai Rs.50,000
  - v. Profits Accrued/earned in India from business in Singapore Rs.40,000.

- vi. Income from Agriculture in USA Rs.70,000 entire amount spent there for daughter's education.
- vii. Interest on foreign Government securities received in U.K and deposited there Rs. 30,000.
- viii. Profits of a business established in Hongkong, deposited in a bank there Rs.2,00,000, the business controlled from India.
- ix. Profits of a business established in Germany and received in Germany from a business controlled from India Rs.4,00,000.
- x. Past untaxed foreign income brought into India during the previous year Rs.60,000.

From the above particulars ascertain the taxable income of Mr. Kunal for the previous year 2023-24., if he is a) Resident b) Not Ordinarily Resident c) Non-Resident.

20. From the following particulars of Mr. Suresh compute his salary income :

- a) Salary Rs.15,000 p.m
- b) DA Rs.1,500 p.m
- c) Educational allowance Rs.500 pm (He has one child)
- d) CCA Rs.300 pm
- e) Entertainment allowance Rs.200 pm
- f) HRA Rs.2,000p.m (Rent paid for house Rs.2,500p.m)
- g) Professional tax paid by employer Rs.1,000
- h) LIC premium paid by employer Rs.2,000 (for Suresh's life)
- i) Compensation received from former employer for termination of employment Rs.10,000.
- j) Medical expenses for Ramesh reimbursed by the employer Rs.5,000.

21. From the following Receipts and Payments Account for the year ended 31<sup>st</sup> March 2024 of Dr. Handa and from further particulars given below, compute his total income and tax payable.

Receipts	Rs	Payments	Rs
Opening cash balance	1024	Consulting room rent	12,000
Consultation fees	90,000	Cost of X-ray machine	60,000
Salary from Medical college	266,000	Car expenses	6,000
Short-term capital gain on sale of shares(STT not paid)	38,976	Life insurance premium	22,000
Interest from bank –Fixed Deposit	23,200	Son's marriage expenses	5,000
Loan from Bank	10,000	Advance Income Tax	5,000
Cash gifts on son's marriage	10,000	Household expenses	172,000
		Closing cash balance	157200
	439200		439200

Additional Information:

- (i) Half of the car expenses are treated as personal
- (ii) He deposited Rs 5,000 in P.P.F. on 30-03-2024 and Rs 10,000 in NSC VIII issue
- (iii) Household expenses includes interest on loan of Rs 5,000 for purchase of office computer
- (iv) He has insured himself for Rs 200,000 on 01-05-2023

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