

BBA Sem – VI (Honours) Examination, 2021

Subject: Taxation

Paper: BBA-AF-6.2

Time: 3 Hours

Full Marks: 80

The figures in the margin indicate full marks.

Candidates are required to give their answers
in their own words as far as practicable

Group A

Answer any *six* questions

5 × 6 = 30

1. Differentiate between direct tax and indirect tax.
2. State any five state level taxes which had been subsumed in Goods and Services Tax.
3. Explain with reference to provisions of Income Tax Act, 1961 when is an individual assessee considered to be a Resident and Ordinarily Resident in India.
4. What do you mean by Heads of Income? State the heads of income as per Income Tax Act, 1961.
5. Briefly discuss the tax treatment of contributions, interest and withdrawal proceeds with respect to Recognized Provident Fund in the hands of an employee resident in India for the assessment year 2021-22.
6. From the following information, ascertain the Gross Annual Value of the following let-out properties for the AY: 2021-22:

Particulars	House No. I (Rs.)	House No. II (Rs.)
Municipal value	42,000	60,000
Actual rent received or receivable	48,000	63,000
Fair rent	51,600	64,800
Standard rent	52,000	65,400
Vacancy period	N. A.	2 months

7. Discuss the objectives of tax planning.
8. Write a short note on TDS.

Group B

Answer any *five* questions

10 × 5 = 50

9. (a) What do you mean by Deduction? Mention any three chapter-specific deductions that are allowed under the Income Tax Act, 1961?
(b) Discuss the provisions of deduction available under Sec. 80E of the Income Tax Act, 1961.

10. (a) Discuss the provision regarding valuation of motor car as perquisite when the same is owned by the employee as per Income Tax Act, 1961 and Rules (as amended) framed there under.

(b) Ms. Namrata, an employee of a private company in Gurugram, furnishes the following particulars of her salary for the year 2020-21:

Basic Pay - Rs. 35,000 p.m.;

Dearness Allowance (60% forming part of salary) – Rs. 20,000;

House Rent Allowance – Rs. 10,000 p.m.;

Bonus – Rs. 20,000;

Commission @ 2% of the turnover of the company.

She stays in a rented accommodation in New Delhi paying a rent of Rs. 25,000 p.m. Calculate the amount of exemption u/s 10(13A).

11. Discuss, in detail, the provisions regarding Deemed ownership of house property under Income Tax Act, 1961.

12. (a) Mention any five incomes which are taxable under the head 'Income from Other Sources'.

(b) State the conditions on the compliance of which an expenditure is allowed as deduction u/s 37(1) of the Income Tax Act, 1961.

13. The given details relate to machinery owned by Atlas Cycles Ltd. during the year 2020-21:

Written down value of block of machinery on April 1, 2020 (consisting of Machinery X and Machinery Y – Both having Depreciation rates @ 15%)	Rs. 1,50,000
Cost of Machinery P acquired on May 20, 2020, but put to use on Dec 20, 2020 (Depreciation rates @ 10%)	Rs. 1,20,000
Cost of Machinery Q acquired on May 30, 2020 (Depreciation rates @ 15%)	Rs. 80,000

You are required to calculate the amount of depreciation u/s 32 and capital gain or capital loss (if any) of the Block of Asset (Depreciation Rate: 15%) for AY: 2021-22 in the following two independent cases:

Case (a): Machinery Y is sold for Rs. 1,70,000 during the year 2020-21;

Case (a): Machinery Y is sold for Rs. 2,70,000 during the year 2020-21.

14. (a) When should a loss return be filed by an assessee?

(b) State the due dates for payment of advance tax along with the minimum amount of tax to be paid within the respective dates.

15. Write short notes on: (a) Summary assessment; (b) Long-term capital gain.