



'समानो मन्त्रः समितिः समानी'

**UNIVERSITY OF NORTH BENGAL**  
BBA Honours 3rd Semester Examination, 2023

**CC5-BBA (301)**

**INCOME TAX LAW AND PRACTICE**

Time Allotted: 2 Hours

Full Marks: 60

*The figures in the margin indicate full marks.*

**GROUP-A**

**Answer any two questions**

12×2 = 24

1. (a) Explain the cases in which Income is assessed in the same year in which it is earned. 4
- (b) Compute the total income of Shri Mani Ratnam for the AY 2023-24 if he is 8  
(A) Resident (B) Not ordinarily resident or (C) Non-Resident
- (i) Profit from business in Chennai Rs. 20,000
- (ii) Income accrued in India but received in Canada Rs. 8,000
- (iii) Profit from business in Canada but received in India Rs. 10,000
- (iv) Income from house property in Lahore received in Mumbai Rs. 8,000
- (v) Profit from business established in England and deposited there, the business being controlled from India Rs. 30,000
- (vi) Income from house property in America accrued and received outside India Rs. 5,000
- (vii) Past untaxed income brought into India during the previous year Rs. 20,000
2. Mr. Abhishek Mishra is employed in a private company at Kolkata and he furnishes 12  
the following particulars of his income for the assessment year 2023-24:
- (a) Basic Salary 20,000 p.m.
- (b) D.A (100% of Basic Salary)
- (c) Commission 10,000 p.m.
- (d) Bonus 50,000
- (e) City compensatory allowance 2,000 p.m.
- (f) Conveyance allowance (60% for official use and remaining for personal use) 5,000 p.m.
- (g) Free use of a car of more than 1.6 lt. capacity for both personal and employment purposes: expenses are met by the employer
- (h) He and his employer both contributed 15% of salary each towards RPF
- (i) Interest credited on RPF balance @ 12% amounts to Rs. 8,000.

Compute income under the head Salary for the AY 2023-24.

3. Mr. Dharmendra Kumar is the owner of three houses, House A, House B and House C. The detail information with respect to these houses is shown below:

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Particulars	House A	House B	House C
Annual Fair Rent (Rs.)	18,000	15,000	12,000
Municipal Valuation (Rs.)	15,000	20,000	10,000
Let out (per month) (Rs.)	2,000	1,500	1,250
Use by tenant	Residential	Office	Residential
Construction started	30.5.2017	1.1.2017	2.3.2014
Construction completed	1.4.2020	1.6.2020	31.3.2015
Repair expenses	1,000	-	4,000
Collection charges	2,000	500	-
Interest on Loan:			
(1) For Construction	10,000	-	-
(2) For marriage of daughter	-	6,000	-
(3) For Repair	-	-	1,000

Municipal tax is 10% of Municipal Valuation. Municipal tax of House 'A' was paid by owner but Municipal Tax of House 'B' was not paid up to 31st March, 2023. Municipal tax of House 'C' was paid by the tenant. House C remained vacant for 4 months.

Compute income from house property for the Assessment Year 2023-24.

4. From the following particulars compute the Business Income of Mr. Shivam:

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**Income Statement of Mr. Shivam**  
For the year ending on 31st March, 2023

Particulars	Rs.	Particulars	Rs.
To Salaries	90,000	By Gross profit	4,50,000
To Rent	20,000	By Dividend	4,000
To Service Charges	4,000	By Bad debts recovered (allowed earlier)	4,400
To Legal Expenses	5,000	By Interest on Post Office Saving Bank	1,200
To Reserve for Income Tax	6,000		
To Depreciation	12,000		
To Expenses on Patent	56,000		
To Office Expenses	42,000		
To Contribution to RPF	12,000		
To Bad debts	4,500		
To Donation by cheque	2,500		
To Net profit	2,05,600		
	<b>4,59,600</b>		<b>4,59,600</b>

**Other information:**

- (i) Legal expenses include Rs. 2,000 incurred by Mr. Shivam for defending a criminal case against him.
- (ii) Depreciation of the year on the assets other than patent rights is Rs. 16,900.
- (iii) Contribution to RPF includes Rs. 2,000 not paid till the due date of filing the return of income.

**GROUP-B**

5. Answer any *four* questions: 6×4 = 24
- (a) Discuss the provisions of the Income Tax Act regarding carry forward and set-off of loss. 6
  - (b) Discuss the process of determining Indian Income and Foreign Income. 6
  - (c) Write a note on (i) Profit in lieu of salary and (ii) Leave Encashment. 6
  - (d) What is the difference between the Cost of Acquisition and Cost of Improvement? What are the provisions of section 54F in relation to capital gains? 6
  - (e) Mr. John, a foreigner, came to India from Poland for the first time on 1st April 2016. He stayed here continuously for 3 years and went to France on 1st April 2019. He, however, returned to India on 1st July 2019 and went to Poland on 1st December 2020. He again came back to India on 25th January 2023 on a service in India. Determine his residential status. 6
  - (f) Mr. V. Singh retired on 31st December 2022 and his pension was fixed at Rs. 3,600 p.m. He got 3/4th of the pension commuted for which he received Rs. 1,80,000 from his employer, ABC Limited. Find out the taxable amount of commuted value of pension if:  
(i) he gets gratuity: and (ii) he does not get gratuity. 3+3

**GROUP-C**

6. Answer any *four* questions: 3×4 = 12
- (a) Write a short note on deduction u/s 80D.
  - (b) Mention any three-income chargeable under the head 'income from other sources'.
  - (c) Mention any three deductions available to an assessee u/s 80C.
  - (d) What is the Annual Value of a house property?
  - (e) What do you mean by Perquisites? Give examples.
  - (f) Explain the deduction available u/s 24 to an individual assessee.

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