

END TERM EXAMINATION

FOURTH SEMESTER [BBA] MAY-JUNE-2015

Paper Code: BBA -212

Subject: Taxation Law

BBA(TTM)-212

Time : 3 Hours

Maximum Marks :75

Note: Attempt any five questions including Q.No. 1 which is compulsory.

- Q1. Write, whether the following statements are true or false. **(1x15=15)**
- (a) Income tax is an indirect tax
 - (b) Income tax is charged on taxable income
 - (c) Income tax is paid annually.
 - (d) Assessment year begins on 2nd April.
 - (e) Only income received in cash is taxable.
 - (f) Agricultural income is exempt from income tax.
 - (g) Dividend received by an assessee from domestic company is exempt.
 - (h) A company can not be Not Ordinary Resident in the previous year.
 - (i) Sum received from statutory provident fund is taxable.
 - (j) Annual value of own residential house is zero.
 - (k) Municipal taxes are deducted if paid by the landlord.
 - (l) Household expenses are allowable expenses.
 - (m) Goods of personal use are not considered as capital asset.
 - (n) Capital Gain Account Scheme, 1988 is related to exemption.
 - (o) Maximum deduction on Family Pension is Rs. 20000.
- Q2. Explain the following: **(3x5=15)**
- (a) Previous Year
 - (b) Assessment Year
 - (c) Gross Total Income
- Q3. How is the residential status of an assessee determined? Explain the tax liability on the basis of residential status. **(15)**
- Q4. State the main provisions of income tax in respect of following. **(3x5=15)**
- (a) HRA
 - (b) Rent Free House
 - (c) Entertainment Allowance
- Q5. (a) Dr. Hari sold some ornaments on 1.10.2012 for Rs. 950000. Transfer expenses were Rs. 50000. He purchased the ornaments in 1987-88 for Rs. 150000. He purchased a residential house on 1.12.2012 for Rs. 300000. He does not have any other residential house. Calculate the capital gains of Mr. Hari for the assessment year 2013-14. Index value for the year 2012-13 is 852 and for the year 1987-88, it is 150. **(7.5)**
- (b) Make a distinction between Long Term & Short Term capital gains. State the tax provisions with regard to both types of capital gains. **(7.5)**
- Q6. What do you mean by set off of losses? Discuss the provisions of set off of losses given in the income tax act. **(15)**
- Q7. (a) What is deduction of tax at source? Discuss the provision of tax deduction at source from income from dividend. **(7.5)**
- (b) What is advance payment of tax? How is it computed? Explain in brief the provisions regarding its payment. **(7.5)**
- Q8. Define the following:
- (a) Declared Goods, (i) Registered Dealer and (ii) Appropriate state **(7.5)**
 - (b) Give 10 services which are covered under the Service Tax Act. **(7.5)**