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V Semester B.B.A. Degree Examination, March/April - 2023

## AVIATION MANAGEMENT

## Income Tax - I

(CBCS Semester Scheme 2019-20 F+R)

Paper : 5.2



Time : 3 Hours

Maximum Marks : 70

## Instructions to Candidates:

Answers to be written completely in English only.

## SECTION - A

Answer any FIVE Sub-questions. Each Sub-question carries 2 marks. (5×2=10)

1. a) List out any 4 exempted incomes u/s 10 of IT Act.
- b) What is casual income? Give examples.
- c) What do you mean by gratuity?
- d) What is an agricultural income? State any 2 examples.
- e) What is fair rental value?
- f) Mention the types of house properties.
- g) Define Person.

## SECTION - B

Answer any THREE questions. Each question carries 6 marks. (3×6=18)

2. Briefly explain the cannons of taxation.
3. Ms. Bhanupriya is a citizen of India Comes to India on 20.3.2021. On 01.09.2021, she left India and went to USA on a business trip. Again she comes back to India on 10.3.2022 on a visit. Determine her residential status for the AY 2022-23.
4. Enumerate the powers and functions of central board of Direct Taxes [CBDT].

[P.T.O.]





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5. Mr. Dhristi (resident) an employee of Happy soul Ltd. who resides in Kolkata, during the PY 2021-22 given the following information.

She gets Rs 12,000 p.a. as basic salary, DA at 20% of basic salary [enters for all retirement benefits] commission of Rs. 15,000 [calculated at 2% on turnover achieved by her], HRA received is Rs. 11,800 p.a. but rent paid is Rs 14800 p.a.

Calculate the taxable HRA for the AY 2022-23.

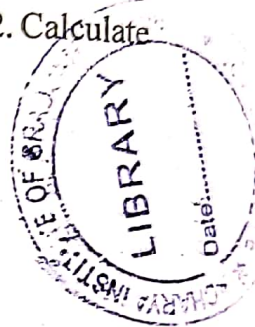
### SECTION - C

Answer any THREE questions. Each question carries 14 marks.

(3×14=42)

6. Sri. Prakash submits the following particulars of his income for the PY 2021-22. Calculate his gross total income for the AY 2022-23 if he is -

- a) Resident
- b) Not-ordinarily resident
- c) Non - resident.
  - i) Income from house property in Hasan received in Paris Rs. 6,50,000.
  - ii) Salary income from an Indian employer received in Newyork for 2 months Rs. 50,000 per month.
  - iii) Income from business in Mumbai received in Bangalore (40% remitted to Nepal) Rs. 12,50,000.
  - iv) Dividend from foreign Company received in Chennai Rs. 1,80,000.
  - v) Income from business in Hong Kong and the business is controlled from Tumkur (25% received in Tumkur) Rs 15,00,000.
  - vi) Interest on POSB a/c in Bangalore [accounts held in joint names] Rs. 17,500
  - vii) Income from agricultural land in Sri Lanka [50% received in India] Rs. 2,05,000.
  - viii) Share of income from HUF Rs. 60,000
  - ix) Royalty received in India for the service rendered in Japan Rs. 6,00,000
  - x) Interest earned on US government bonds received in London Rs. 1,75,000/-
  - xi) Interest on SBI deposits received in Bhutan Rs. 7,080
  - xii) Past untaxed income brought to India Rs. 6,10,000





7. Sri. Sathyamurthy (resident) owns four houses (house 2 and 4 are self occupied for residence, house 3 is used for own business and house 1 is let out) and furnishes the following information for the PY 2021-22.

Compute his taxable income from house property for the relevant AY 2022-23.

Particulars	House 1	House 2	House 3	House 4
Municipal valuation	49,000	28,000	87,000	90,000
Fair rental value	42,000	25,000	80,000	105,000
Standard rent	38,200	15,000	75,000	90,000
Rent (Property is let out throughout the PY)	42,000	—	—	—
Unrealised rent	3500	—	—	—
Municipal taxes Paid by the owner	600	—	—	—
Municipal taxes paid by the tenant	400	—	—	—
Repairs	2,500	4,500	2,250	3,000

Property 1 remained vacant for 3 months. Sri. Sathyamurthy borrows Rs 50,000, Rs 75,000 and Rs 1,00,000 loan from Canara Bank for the construction of house 1, house 2 and house 4 respectively at the rate of 12% p.a.

8. Ms. Amulya (resident) is an employee of KK power corporation Ltd. at Hyderabad. She gives the following information for the PY 2021-22. Compute her taxable income from salary for the Ay 2022-23.

- Basic Salary Rs. 8000 p.m.
- Dearness allowance Rs. 6000 per month [Rs. 1000 p.m. enters into all retirement benefits]
- Family allowance Rs. 600 p.m.
- City compensatory allowance Rs. 800 per month.
- Educational allowance for 2 children at Rs. 350 p.m. per child.
- Entertainment allowance Rs. 750 p.m.



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- g) House rent allowance Rs. 1600 p.m. but she pay and Rs. 3,000 p.m. as actual rent.
- h) Company has provided a telephone at residence for official meeting purpose by meeting all the expenses Rs 6,000 for the year.
- i) She and the company contributes 14% of salary towards the RPF.
- j) Company provides a small car for personal and official purpose.
- k) The employer provided tea and snacks to all the employees during the tea break Rs. 5,000.
9. Mr. Virat is the Director in a company in Bengaluru. He furnishes the following details. Compute taxable income from salary for the AY 2022-23.
- a) Basic salary Rs. 16,200 p.m.
- b) DA [under the terms of employment] Rs. 11,800 p.m.
- c) He and the employer contributes 12.5% of his basic pay to RPF.
- d) Education allowance for 3 children Rs. 8,000
- e) Medical allowance Rs. 10,000 Actual amount spent Rs. 3,000.
- f) Telephone bill Rs. 5,000 paid by the employer on behalf of Mr. Virat.
- g) Sweeper, servant, watchman appointed by Mr. Virat at a salary of Rs. 450 p.m. per person and their salary paid by employer.
- h) LIC premium paid by employer on the life policy of Mr. Virat is Rs. 6,200.
- i) Mr. Virat paid professional tax of Rs. 200 p.m.
- j) Group insurance premium also being paid by the employer Rs. 1650.
- k) He went on tour for official purpose and received travelling allowance Rs. 6,000
- l) He has been provided with rent free furnished house by the company whose FRV is Rs. 5,000 p.m. and furniture facility of Rs. 25,000 by the employer.
- (Note : Clearly show all the working notes relevant to the problem).

