



Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956 (Now MoE)

Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

**Continuous Internal Assessment Test II - April 2025
IV-Semester**

**Class: II UG
Major: BBA (RM)**

**Time: 2 Hours
Max. Marks: 60**

23BREC08- Taxation

Course Outcome:

- CO1: Elucidate an understanding of theoretical and technical Knowledge of taxation law Principles as they apply through legislation, for both individuals and business entities.
CO2: Analyse, generate and transmit solutions to complex problems in relation to taxation matters
CO3: To efficiently compute tax for business and profession and knowledge on tax authorities
CO4: To efficiently handle assessment of Individuals and partnership firm
CO5: To be a potential person on the knowledge of Income Tax Authorities.

Part- A

Choose the correct the answer

(6X1=6)

1. Capital Gain means CO3:K1
a. An increase in the value of an asset b. An increase in the stock of capital
c. An increase in the amount of foreign capital d. An increase in capital invested by owner
2. Amount paid to an approved University for social research. The deduction shall be allowed in respect of payment CO3:K1
a. 100% b. 125% c. 150% d. 200%
3. Income received on subletting of the house comes under CO4: K2
a. Specified Income b. General Income c. Specified and General Income d. Casual Income
4. Long term capital loss can be set off from CO4:K1
a. STCG b. LTCG
c. Casual Income d. Profits and Gains from business and profession
5. From which income, direct tax is not applicable? CO4:K1
a. Identification number b. Dearness Allowance
c. Leave travel Allowance d. Tax Deduction and collection account number
6. Medical treatment of a dependent that is a person with disability will be allowed upto CO3:K1
a. 1,00,000 b. 1,75,000 c. 1,25,000 d. 75,000

Part B

Answer ALL questions

(3 x 6 = 18)

7. (a) Explain the Exemption on capital gain. CO3:K2
(Or)
(b) Discuss the admissibility of following items CO3:K3

(i) Amount Spent on acquisition of land for setting up research laboratory Rs. 2,00,000
(ii) Expenditure in construction of building for such laboratory Rs 3,50,000
(iii) A limited company gives Rs 80000 to an approved National Laboratory for carrying out research in an approved field of research.
(iv) Amount of salary paid to staff engaged in research. a) Rs 60000 paid before 2-4-2022 i.e. date of commencement of business. Research was relating to assessee's own field of business. b) Rs 42000 paid as salary to staff engaged in such research during 2022-23
(v) A computer costing Rs 160000 was purchased with the object of using it for research but on acquisition it was found that it can't be used for research. Nevertheless, it was installed in the business office
(vi) (a) Mr. X gave Rs 60000 to University of Bangalore for carrying out research in an approved field of research and it is not related with assessee's business b) Mr. X also gave Rs 40000 to Panjab university of Chandigarh for research in the field of eradication of malaria in the state of Punjab

8. (a) Enumerate the items of deductions allowable in computing Income from Other sources. CO4:K2
(Or)

(b) Calculate the taxable profit of the assessee for the assessment year 2024-25 from the particulars given below. CO4:K2

Profit for the previous year 2023-2024 (before charging the following amounts)	2,60,000
i) Amount given to Punjab University for research in social science	25,000
ii) Cost of land acquired for constructing research laboratory	1,00,000
iii) Cost of building and P&M required for research	3,50,000
iv) Amount given as salary to staff engaged in research (relating to a field not related to assessee's own business) during 2024-2025 (business started on 1-4-2023)	30,000
v) Salary given to staff engaged in research within the premises during 2024-2025	60,000

9. (a) Explain the provisions of Income Tax Act 1961 regarding income from business. CO5:K3
(Or)

(b) List out the items of computation of professional income for a Doctor, chartered accountant and Lawyers. CO5:K3

Part C

Answer ALL questions

(3 x 12 = 36)

10. (a) Describe the method of computing income under the Head "Income from other sources". (Or) CO3:K4

(b) Mr. Ankit received the following gifts during P.Y 2023-2024:

- He received a gift in cash Rs.20,000 from his uncle on 30.6.2023
- He received a cheque of Rs. 30,000 as a gift from his brother on 10.11.2023
- He received a gift of Rs.21,000 on his wedding from Mr.X on 1.12.2023
- He received Rs.25,000 as gift from his non-resident friend Mr.Y 30.12.2023
- He received a gift of Rs.51,000 from his brother-in-law on 31.1.2024
- He received Rs. 5,000 from Mr.Z, his resident friend on 15.2.2024

Calculate the amount of taxable gifts chargeable under the head 'Other sources'. CO3:K3

11. (a) Discuss the procedure for computation of capital Gains as prescribed by the Income-Tax Act, 1961 (Or)

(b) Mr. G. Bedi owns horses at Bombay and Bangalore. These horses run for races at the race course. During the year 2022-23. Mr. Bedi submits the following information : CO4:K4

(i) Expenses on race horses at Bombay	2,60,000
(ii) Expenses on race horses at Bangalore	4,30,000
(iii) stake money earned by horse at	
a) Bombay	1,20,000
b) Bangalore	5,00,000
(iv) Mr. Bedi received Rs 105000 on 1-7-2022 on betting during horse races at Bombay.	

Compute his taxable income under other sources.

12. (a) Explain the provisions of Income -tax act, 1961 regarding carry forward and set-off of losses. CO3:K3

(Or)

(b) The following are the particulars of income and loss of an individual under different heads of income. Set-off losses in the assessment year 2023-24 and find out gross total income : CO3:K4

Income from House property A	5,000
Income from House property B	(-) 8,000
Income from Interest on Securities	20,000
Income from cycle Business	(-) 20,000
Profit from Speculation Business	20,000
Loss from short-term capital asset	6,000
Long-term Capital loss	25,000
Long-term Capital Gain (Investment)	21,000