



Hambally

Avinashilingam Institute for Home Science and Higher Education for Women

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

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

Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – May 2025

IV Semester

Class : II UG

Major : BBA RM

Time: 3 Hours

Max. Marks: 100

23BREC08 Taxation

Course Outcomes:

- CO 1: Elucidate an understanding of theoretical and technical knowledge of taxation law principles as they apply through legislation, for both individuals and business entities.
- CO 2: Analyze, generate and transmit solutions to complex problems in relation to taxation matters.
- CO 3: Efficiently compute tax for Business and Profession and knowledge on tax authorities.
- CO 4: Efficiently handle indirect taxes and GST.
- CO 5: Professionally implement procedural compliance of tax.

Part A

10 x 1 = 10

Choose the correct answer

1. Income from rent of agricultural land is _____ CO1 K1
a. Casual income b. Business income
c. Agricultural income d. Taxable income
2. Incomes on which Income tax is not charged are called _____ CO1 K1
a. Exceptional incomes b. Omitted incomes
c. Privileged incomes d. Exempted incomes
3. Allowances received by a Government employee posted abroad are _____ CO2 K2
a. Fully exempted b. partly exempted
c. Fully taxable d. Partly taxable
4. Exempted limit of HRA metropolitan cities is _____ CO2 K2
a. 50% b. 40% of salary
c. 15% of salary d. Actual rent paid
5. Profits earned from an illegal business are _____ CO3 K3
a. Taxable b. Tax free
c. Ignored by tax authorities d. Ignored
6. Long term capital gain on sale of unlisted shares are _____ CO3 K3
a. Taxable b. Exempted
c. Not Listed d. Partly listed
7. Dividends from Co-operative society are _____ CO4 K4
a. Exempted b. Taxable
c. 50 % taxable d. 30% taxable
8. 'Interest on securities' accrues _____ CO4 K4
a. Day to day
b. Quarterly
c. After a fixed period mentioned on the face of the security
d. Taxable
9. Determining the tax liability is called _____ CO5 K5
a. Assessment b. Scrutiny
c. Enquiry d. Evaluation
10. _____ Assessment of tax or interest is payable on the basis of the return of income after taking into account the advance tax paid and tax deducted at source. CO5 K5
a. Regular b. Self
c. Irregular d. Tax

Part B

5 x 6 = 30

Answer ALL questions

Each Answer should not exceed 400 words or two pages

- 11.a. List out the Heads of Income and Explain. CO1 K1
(or)
11.b. Who is Assessee? Explain its classification. CO1 K1

12.a. Mr. A receives Rs. 63,500 p.a. as net salary. Employer had deducted Rs. 7,500 as Employee's contribution to R.P.F. Rs. 1,300 p.a. as tax deducted at source and Rs. 1,200 p.a. as professional tax. During the year employer had deducted Rs. 2,500 towards the recovery of house building advance taken by Mr.A. Calculate Salary of Mr.A.

CO2 K2

(or)

12.b. What are the different types of Rental Values, Explain them.

CO2 K2

13.a. List out and explain any FIVE disallowed expenses under the head "Business Income".

CO3 K3

(or)

13.b. Mr. Raja & Company is Chartered Accountants in Delhi. They have submitted the following Income and Expenditure Account for the year. Compute the income from profession.

Expenses	Amount (Rs.)	Income	Amount (Rs.)
To Drawings	48,000	By Audit fees	2,24,000
To Office rent	42,000	By Financial Consultancy service	98,000
To Telephone installation charges under O.Y.T. scheme	15,000	By Dividends from an Indian Company (Gross)	6,000
To Electricity Bill	4,200	By Dividend on units of UTI	4,000
To Salary to staff	66,000	By Accountancy works	24,000
To Charities	1,200		
To Gifts given to relatives	9,600		
To Car expenses	21,000		
To Subscription to Journals	2,500		
To Institute fee	1,200		
To Stipends given to trainees	12,000		
To Net Income	1,33,300		
Total	3,56,000	Total	3,56,000

Notes: 1. Depreciation of car during the year amounts to Rs.5, 000

2. 30% of the time car is used for personal purposes.

CO3 K3

14.a. The following are the particulars of income/loss of Mr. A. You are required to set-off losses and carry forward and set-off when necessary.

CO4 K4

Particulars	Assessment year 2024-25
Income from salary (computed)	15,000
Income from interest on securities (Gross)	5,000
Loss from business	15,000
Short term capital gain	-
Long-term capital gain	-

(or)

14.b. Mr.GBedi owns horses at Bombay and Bangalore. These horses run for races at the race course. During the year 2014-15 Mr. Bedi submits the following information.

S.No	Particulars	Amount (Rs)
1	Expenses on race horses at Bombay	2,60,000
2	Expenses on race horses at Bangalore	4,30,000
3	Stake money earned by horses at (a) Bombay (b) Bangalore	1,20,000 5,00,000
4	Mr.Bedi received Rs.1,50,000 on 1-7-2014 on betting during horse races at Bombay.	-

Compute his taxable income under other sources.

CO4 K4

15.a. Explain the types of returns.

CO5 K5

(or)

15.b. What do you mean by Deduction of tax at source?

CO5 K5

Part C

5 x 12 = 60

Answer ALL questions

Each Answer should not exceed 800 words or four pages

16.a. Explain incomes which are totally exempt from income tax.

CO1 K1

(or)

16.b. Explain the types of residential status with example.

CO1 K1

17.a. Mr. Ram is the owner of a house property in Kanpur. It has been let out for Rs.90,000. The tax payable by the owner comes to Rs.8,400 on municipal valuation of Rs.84,000 but the landlord has taken an agreement from the tenant stating that the tenant would pay tax direct to the municipality. The landlord, however, bears the following expenses on tenant's amenities:

Particulars	Amount (Rs.)
Water charges (as per agreement)	1,000
Life maintenance	1,000
Salary of gardener	1,200
Lighting of stairs	800

The landlord claims the following deductions:

Particulars	Rs.
Repairs	30,000
Land revenue	1,000
Collection charges	2,000
Legal charges incurred on purchase of land on which house property is situated	24,000

Compute the taxable income from house property.

CO2 K3

(or)

17.b. Mr. M is a production manager of an industrial unit at Chennai. The particulars of his salary income as under:

Particulars	Amount (Rs.)
Basic Salary	15,000 p.m
Dearness allowance (given under the terms of employment)	5,000 p.m
Entertainment allowance	1,000 p.m
Medical allowance	500 p.m
House Rent Allowance	4,000 p.m
Rent paid for the house	5,000 p.m
Car of 1.2 lt. capacity provided by employer for private and official use.	
Employer meets expenses of car.	
He and his employer (each) contribute 15% of salary to R.P.F.	
Mr. M had taken interest free loan of Rs. 15,000 to purchase refrigerator.	

Compute income under the head salary for the assessment year 2024-25.

CO2 K3

18.a. Define Capital Assets. Explain its kinds.

CO4 K2

(or)

18.b. Explain the exemption of capital gains.

CO4 K2

19.a. Ganesan furnishes the following particulars of his income for the previous year 2023-24. Compute his income from other sources for the Assessment year 2024-25.

- Dividend (gross) from Ashok Leyland Ltd. Rs. 25,000.
- Dividend from a co-operative society Rs. 5,000
- Interim dividend from Rane (Madras) Lts. 6,000
- Dividend from a foreign company 26,000
- Dividend from U.T.I Rs. 3,000.

CO3 K3

(or)

19.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 2024-25 and find out the net result:

CO3 K3

Particulars	Amount (Rs.)
Income from house property A	5,000
Loss from house property B	(-) 8,000
Income from interest on securities	20,000
Loss from a 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 (Investments)	21,000

20.a. Explain the types of assessment.

CO3 K3

(or)

20.b. What are the payments on which tax is deducted at source?

CO3 K3
