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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) Re-accredited with 'A++' Grade by NAAC. Recognised by UGC under Section 12 B Coimbatore-641 043, Tamil Nadu, India

Continuous Internal Assessment Test I – Feb 2025  
SEMESTER VI

Class: III UG  
Major: BBA (RM)

Time: 2 Hrs  
Max. Marks: 60

**21BREC25- Income tax law and practice**

**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. Income Tax Act came into force on  
a. 1.4.1961. b. 1.4.1962  
c. 1.4.1956 d. 1.4.1965  
CO1:K1
2. A person includes  
a. Individual & HUF. b. Firm & Company  
c. AOP/BOI, LA, Every AJP d. all of these.  
CO1:K1
3. Assessment Year can be a period of  
a. > 12 months or < 12 months b. only 12 month  
c. 12 months or < 12 months d.  $\geq$  12 months.  
CO2:K1
4. Under Section 15 salary is taxable  
a. On receipt basis b. On due basis  
c. Receipt or due, whichever is earlier d. None of the above  
CO2:K1
5. Residential status is determined for  
a. Previous year b. Assesment year  
c. Accounting year d. Financial year  
CO3:K1
6. Unrealised rent is deducted from  
a. Gross Annual value b. Net Annual value  
c. Income from house property d. Municipal Tax  
CO3:K1

**Part B**

Answer ALL questions

(3 x 6 = 18)

7. (a) Explain the various features of income tax in India.  
(Or)  
(b) Define the term (i) Assessment year (ii) Previous year  
CO1:K2  
CO1:K3
8. (a) Mr. Arun passed his MBA Examination in June 2022 and joined his job on 1<sup>st</sup> July 2022 on a salary of Rs20000 P.m. He resigned from his job on 15<sup>th</sup> November 2022 and got relieved on 30<sup>th</sup> November and started his own business on 15 December and earned a profit of Rs 60000 up to 31<sup>st</sup> March 2023 When the Individual becomes Resident? .  
(Or)  
(b) Mr. A Receives Rs 42000 P.a as net salary. Employer had deducted Rs 4000 p.m as Employee's Contribution to R.P.F Rs 5000 p.a as tax detected at source and Rs 2000 p.a as professional tax. During the year employer had deducted Rs 2500 p.m towards the recovery of house building advance taken by Mr. A  
CO2:K2
9. (a) Mr. Patil was appointed as a manager on 1<sup>st</sup> July 2018 in the grade of 20,000-500-22000-1000-25000 with two advance increments. Find out his salary for the previous year 2022-23 if  
(i) salary is due on first day of the month and  
(ii) salary is due on last day of the month  
(Or)  
(b) Define Annual value . How is it determined?  
CO3:K3  
CO3:K3

**Part C**

**Answer ALL questions**

**(3 x 12 = 36)**

10. (a) Explain in detail the structure of Indian taxation system.

CO1:K3

(Or)

Mr. Ford an American national was appointed as senior scientific officer in India on 1<sup>st</sup> April 2014. On 31<sup>st</sup> January, 2020 he went to Sri Lanka on deputation for a period of three years but left his wife and children, in India. On 1<sup>st</sup> May, 2021 he came to India and took with him his family to Sri Lanka on 30<sup>th</sup> June, 2021. He returned to India and joined his original job on 20<sup>th</sup> Dec 2022. What would be the status of Mr. Ford for income tax purposes for the assessment years 2021-2022, 2022-2023, 2023-2024

CO1:K3

11. (a) Explain the characteristics of salary.

CO2:K4

(Or)

(b) Mr. A. Joined a Company as an assistant on 1<sup>st</sup> June 2019 on a consolidated salary of Rs 40,000 p.m. Since the company was incorporated in the year 2018, so its provident fund is still unrecognized. As per terms of the employment contract, both employee as well as employer started contributing in unrecognized provident fund @14% of employee's salary. Interest is credited @10% of credit balance. Ultimately, the unrecognized provident fund is recognized on 30<sup>th</sup> Nov 2022 is Rs 23500. Find out transferred balance and taxable portion of transferred balance

CO2:K4

12. (a) Define the term perquisite and how are they treated for income tax purposes?

CO3:K3

(Or)

(b) Following are the particulars of 2 let out houses of Mr. Ashu Agarwal

CO3:K4

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Particulars	House-A	House- B
Municipal Valuation	4,20,000	3,50,000
Fair Rental value	3,60,000	3,80,000
Standard Rent	4,40,000	3,20,000
Actual Rent	4,80,000	4,20,000
Unrealized rent of current year	40,000	35,000
vacancy	2 months	2 months
Municipal Taxes		
Actually paid	12,000	35,000
Due but not paid	30,000	10,000
Repairs	10,000	8,000
Insurance Premium	12,000	6,000
Other expenses	8,000	10,000
Int on money borrowed for the purchase of house	----	60,000

Determine Mr. Ashu's income from house property.

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