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Reg. No.

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V Semester B.B.A. Degree Examination, March/April - 2022

AVIATION MANAGEMENT

Income tax - I

(CBCS Scheme Freshers)

Paper : 5.2

Time : 3 Hours

Instructions to Candidates:

- 1) Answers should be written in English.

Note: Student Can use Normal Calculator.



Maximum Marks : 70

SECTION - A

Answer any five sub questions . Each sub questions carries two marks. (5×2=10)

1. a) How do you treat an income as Indian Income & Foreign income?
- b) Define person as per income Tax Act.
- c) What do you mean by municipal Rental Value?
- d) Define Assessment year.
- e) Define salary based on Gratuity under payment of Gratuity Act.
- f) Define Income.
- g) State any 4 tax free per quisities.

SECTION - B

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

2. Mr.Vivek (age 45 years) is working as assistant in the marketing Department of PQR Ltd. Bengaluru. This salary income details are as follows:

Basic salary Rs. 5000 p.m.

Dearness allowance Rs. 5000 p.m.

Dearness pay Rs. 2000 p.m.

Commission Rs. 45000 P.A.

Entertainment allowance Rs. 700 p.m (6000 spent on Entertainment during the year)

House rent allowance Rs. 7500 p.m (rent paid Rs. 9000 p.m.)

Compute taxable salary for the assessment year 21-22.

[P.T.O.]





3. Explain the powers & Functions of central board of Direct Tax?
4. List out the exempted income U/S 10?
5. James went to England for studies on 5th Aug 2020 & came back to India on 25.2.2021. He had never been out of India before. What is residential status for the A.y 2021-2022.

SECTION - C

Answer any three questions . Each question carries fourteen marks. (3×14=42)

6. Mr. Suresh the Manager of ABCD Ltd, Mumbai, has furnished the following details of his income for the year Ended 31st Mar 2021.
 - i) Basic salary Rs. 21000 p.m.
 - ii) Bonus at 2 months basic salary.
 - iii) Commission is 3% on sales. During the year he reached a sales of Rs. 5,00,000.
 - iv) Dearness allowance forming part of salary Rs. 7000 p.m (Considered to retirement benefits)
 - v) Medical allowances Rs. 1400 p.m.
 - vi) Childrens hostel allowance for his two children at Rs. 500 p.m per child.
 - vii) RPF's companys contribution Rs. 6000 p.m.
 - viii) Entertainment allowance Rs. 3000 p.m.
 - ix) RPF's own's contribution Rs. 5000 p.m.
 - x) Interest on RPF at 11% p.a Rs. 44,000.
 - xi) Transport allowance Rs. 1800 p.m.

He has been Provide rent free furnished accommodation at mumbai whose fair rental value is Rs. 10,000 & Cost of furniture Rs. 60,000. He paid professional tax of Rs. 2,400.

Compute his taxable salary for the assessment year 2021-2022.

7. Mr. Krishna is owner of three house in Bangalore.

Particulars	House A	House B	House C
Fair rent	1,80,000	1,50,000	1,20,000
Municipal valuation	1,50,000	2,00,000	1,00,000
Let out (per month)	20,000	15,000	25,000
Use by tenant	Residential	Office	Residential
Construction Started	30.5.2014	01.01.2013	2.03.2011
Construction completed	1.4.2017	1.06.2017	31.03.2012
Repair Expenses	10,000	-	40,000
Collection charges	20,000	5000	-
<u>Interest on loan:</u>			
a. for construction	1,00,000	-	-
b. for marriage of daughter	-	60,000	-
c. For repair	-	-	10,000





Municipal tax is 10% of municipal tax of House 'A' was paid by owner but municipal tax of House 'B' was not paid upto 31st mar 2021. Municipal tax of house 'C' was paid by the tenant. The house 'C' has remained vacant for 2 months. Compute his income from house property for the assessment year 2021-2022.

8. Explain different types of taxes and canons of taxation.

9. Mr. Sanjay Krishna who is an officer in Indigo airways gives you the following particulars:

- a) Basic salary Rs. 16,000 p.m.
 - b) Dearness allowance Rs. 1000 p.m. (50% Enters into all retirement benefits).
 - c) House rent allowance Rs. 5000 p.m. (Rent paid Rs. 7000 at bengaluru).
 - d) Conveyance allowance Rs. 800 p.m. (Rs. 600 p.m. used for official purpose).
 - e) City compensatory allowance Rs. 200 p.m.
 - f) Motor car of exceeding 1600 CC with driver provided used partly for official & partly personal.
 - g) Payment of LIC premium Rs. 9000 by the indigo airways.
 - h) Children education allowance of Rs. 200 p.m. Each of his 3 childrens.
 - i) Services of sweeper (Salary Rs. 200 p.m.) Put of which 50 p.m. Each recover from Mr. Sanjay Krishna.
 - J) He contributes 14% of salary to RPF & The company makes a matching contribution to RPF, Interest credited to RPF is 6875 at 12.5% p.a. on 20.6.2020.
- Compute his income from salary for A.y 2021-2022.

