

IV Semester B.B.M. Examination, June/July 2010
TAXATION AND LAWS

Time : 3 Hours

Max. Marks : 80

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **two** marks : **(2×5=10)**
- a) What is assessment year ?
 - b) What is previous year ?
 - c) What is capital asset ?
 - d) Name any four exempted incomes.
 - e) What is the difference between exemption and deduction ?
 - f) Define short term capital gain.
 - g) What is self occupied property ?

SECTION – B

- Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**
- 2. What are the permissible deductions in computing income under the head salaries ?
 - 3. Can net annual value be negative ?
 - 4. What expenses are disallowed to a businessman in computing profits ?
 - 5. How would you determine cost of acquisition ?
 - 6. What is the significance of clubbing of income ?

SECTION – C

- Answer **any five** questions. **Each** question carries **10** marks : **(5×10=50)**
- 7. Define 'depreciation' as used in Income Tax Act. Discuss the different types of depreciation allowances admissible under the act.
 - 8. Discuss the procedure for computation of capital gains.

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9. Explain the provisions of Income Tax Act, 1961 regarding carry forward and set off of losses.
10. What are the provisions relating to deductions from gross-total income under section 80G of the Income Tax Act ?
11. Explain the basic principles for arriving at business income.
12. X (age : 36 years) receives the following emoluments during the previous year ending March 31, 2009.

	Rs.
Basic Pay	5,52,000
Commission	2,60,000
Free car facility for X and his family members	1,21,000
Entertainment allowance	30,000

On Oct 1, 2009, the employer gives a housing loan of Rs. 11,70,000 @ 11% p.a repayable in its 15 years.

X contributes Rs. 60,000 towards recognised provident fund. His income from other sources is Rs. 1,00,000.

Determine the taxable income a X and the amount of tax liability for the assessment year 2009-10.

13. Y submits the following particulars :

	Previous Years	
	2008-09	2009-10
Business profits (before depreciation)	2,15,000	2,35,000
Current depreciation	3,96,000	4,34,000
Income from property (computed)	8,000	40,000
Income from salary	1,60,000	2,00,000

Determine the net income of Y for the assessment year 2009-10 and 2010-11.

14. Discuss the tax treatment, with the help of examples, when a house property is owned by two or more persons.
