



## BRAINWARE UNIVERSITY

Term End Examination 2024-2025

Programme – BBA LL.B.-2021

Course Name – Taxation Laws

Course Code - BBALLB703

( Semester VII )

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Select the type of income that is exempt from income tax.
  - a) Salary income
  - b) Agricultural income
  - c) House property income
  - d) Business income
- (ii) Identify the method used to calculate income tax on individuals.
  - a) Slab rate method
  - b) Flat rate method
  - c) Progressive rate method
  - d) Regressive rate method
- (iii) Select the deduction available to individuals under Section 80C of the Income Tax Act.
  - a) Medical insurance premium
  - b) Rent paid
  - c) Donations to charitable trusts
  - d) All of the above
- (iv) Define the term "tax credit."
  - a) A reduction in tax liability
  - b) A reduction in taxable income
  - c) A reduction in the tax rate
  - d) A reduction in the assessment year
- (v) Identify the type of income that is exempt from income tax under Section 10(15) of the Income Tax Act.
  - a) Interest on government securities
  - b) Interest on bank deposits
  - c) Dividend income
  - d) Rental income
- (vi) Identify the threshold for registration under GST.
  - a) Rs.40 lakhs
  - b) Rs.50 lakhs
  - c) Rs.60 lakhs
  - d) Rs.70 lakhs
- (vii) Select the type of GST applicable to intra-state supply of goods and services.
  - a) Central GST (CGST)
  - b) Both SGST & CGST
  - c) Integrated GST (IGST)
  - d) Union Territory GST (UTGST)

- (viii) Identify the due date for filing ITR for individuals earning up to ₹5 lakhs.
- |               |                   |
|---------------|-------------------|
| a) 31st July  | b) 31st December  |
| c) 31st March | d) 30th September |
- (ix) Select the type of ITR form used by individuals earning salary income.
- |          |          |
|----------|----------|
| a) ITR-1 | b) ITR-2 |
| c) ITR-3 | d) ITR-4 |
- (x) Select the type of ITR form used by individuals earning income from house property.
- |          |          |
|----------|----------|
| a) ITR-1 | b) ITR-2 |
| c) ITR-3 | d) ITR-4 |
- (xi) Identify the rate of TDS on interest income from banks.
- |        |         |
|--------|---------|
| a) 0.1 | b) 0.15 |
| c) 0.2 | d) 0.3  |
- (xii) Calculate the income from house property for a self-occupied house with a fair rental value of Rs.35,000 per month, municipal taxes of Rs.1,800 per month, and standard deduction of Rs.2,50,000 per annum.
- |           |           |
|-----------|-----------|
| a) 252000 | b) 240000 |
| c) 228000 | d) 216000 |
- (xiii) Calculate the income from house property for a rented house with a rental income of Rs.45,000 per month, municipal taxes of Rs.2,200 per month, and standard deduction of Rs.2,50,000 per annum.
- |           |           |
|-----------|-----------|
| a) 300000 | b) 288000 |
| c) 276000 | d) 264000 |
- (xiv) Calculate the number of days an individual needs to be present in India during a financial year to be considered a not ordinarily resident.
- |        |        |
|--------|--------|
| a) 60  | b) 90  |
| c) 120 | d) 150 |
- (xv) Calculate the number of days an individual needs to be present in India during a financial year to be considered an ordinary resident.
- |        |        |
|--------|--------|
| a) 183 | b) 184 |
| c) 185 | d) 186 |

#### Group-B

(Short Answer Type Questions)

3 x 5=15

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|--|-----|
| 2. Explain the concept of annual value in the context of house property.       | (3) |
| 3. Describe the deductions allowed under income from house property.           | (3) |
| 4. Describe the tax treatment of interest income.                              | (3) |
| 5. Explain the concept of indexation for capital gains tax.                    | (3) |
| 6. Explain the concept of tax deduction and how it affects income tax returns. | (3) |

OR

Explain the role of Form 16 in income tax return filing.

(3)

#### Group-C

(Long Answer Type Questions)

5 x 6=30

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|---|-----|
| 7. Differentiate between AOP & BOI with examples.   | (5) |
| 8. Give five examples of Income from Other Sources. | (5) |



9. Mr. Sagar who retired on 1.10.2023 is receiving ₹5,000 p.m. as pension. On 1.2.2024, (5)  
he commuted 60% of his pension and received ₹3,00,000 as commuted pension. You  
are required to compute his taxable pension assuming:

- (a) He is a government employee.
- (b) He is a private sector employee and received gratuity of ₹5,00,000 at the time  
of retirement.
- (c) He is a private sector employee and did not receive any gratuity at the time of  
retirement.

10. Elaborate the concept of clubbing of income. (5)

11. Bace Drinks Ltd. was carrying more than one business activity, namely manufacturing soft drink and trading (5)  
in soft drinks. However, the manufacturing activity was not profitable and was hence, discontinued. The  
employees who were directly connected with this manufacturing activity were laid off and severance cost  
was paid to those employees. The same was claimed by the assessee as revenue expenditure. The  
Assessing Officer disallowed the same treating it as capital expenditure, on the argument that it was  
incurred as a result of closure of business of the assessee. Discuss what would be the nature of  
expenditure.

12. Mr. Raj Kumar has the following receipts from his employer: (5)

- (1) Basic pay ₹40,000 p.m.
- (2) Dearness allowance (D.A.) ₹6,000 p.m.
- (3) Commission ₹50,000 p.a.
- (4) Motor car for personal use (expenses met by the employer) ₹1,500 p.m.
- (5) House rent allowance ₹15,000 p.m.

Find out the amount of HRA exempt in the hands of Mr. Raj Kumar assuming  
that he paid a rent of ₹16,000 p.m. for his accommodation at Kanpur. DA forms  
part of salary for retirement benefits. Mr. Raj Kumar exercises the option of  
shifting out of the default tax regime provided under section 115BAC(1A).

OR

Mr. B, a Canadian citizen, comes to India for the first time during the P.Y. 2019-20. (5)  
During the financial years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, he  
was in India for 55 days, 60 days, 90 days, 150 days and 70 days, respectively.  
Determine his residential status for the A.Y. 2024-25.