

TB154645A

Reg. No:

Name:

BMS DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017
SEMESTER IV – CORE COURSE (INTERNATIONAL BUSINESS)
CO4B08TB - FUNDAMENTALS OF BUSINESS TAXATION

Time: Three Hours

Maximum Marks: 80

PART A

I. Answer all questions. Each question carries 1 mark.

1. What is direct tax?
2. Explain the concept of Previous Year with respect to the Income Tax Act.
3. What are allowances?
4. What is excise duty?
5. What is CST?
6. The Department of Revenue of the Ministry of Finance looks after the administration of direct and indirect taxes through two statutory boards. Name them.

(6x1=6)

PART B

II. Answer any seven questions. Each question carries 2 marks.

7. Deductions allowable under the head 'Income from House Property'
8. Set off of losses
9. Surcharge
10. Residential status of individual
11. Long term capital gain
12. Gross Annual value of House property
13. Perquisites
14. Value Added Tax
15. Indirect taxes
16. GST

(7x2=14)

PART C

III. Answer any five questions. Each question carries 6 marks.

17. Mr. Ram, an Indian citizen, left India on 22.09.2016 for the first time to work as an officer of a company in Germany. Determine his residential status for the AY 2017-18 and explain the conditions to be fulfilled for the same under the Income Tax Act 1961.
18. What do you mean by short term capital gains? Is the benefit of indexation available for short term capital gains?
19. What are the tax slabs for individuals and for senior citizens above the age of 80 years for the AY 2017-18?

20. What are the different types of customs duties?
21. What are the basic conditions for levy of excise duty?
22. What do you mean by the Negative List in the case of Service Tax? Give 4 examples of services covered in the list.
23. Mr. Chaturvedi owns 3 houses in Nagpur, all of which are let out. Compute Gross Annual Value of each house from the following information:

| Information | House 1 (₹) | House 2 (₹) | House 3 (₹) |
|-----------------------------------|-------------|-------------|-------------|
| Municipal Value | 90,000 | 250,000 | 110,000 |
| Fair Rent | 84,000 | 240,000 | 120,000 |
| Standard Rent | NA | NA | 144,000 |
| Actual rent received / receivable | 108,000 | 210,000 | 120,000 |

24. What is clubbing of income? State the circumstances in which
 - a) Income of wife is clubbed with income of husband
 - b) Income of minor child is clubbed with income of parent.

(5x6=30)

PART D

IV. Answer any two questions. Each question carries 15 marks.

25. Mr. Krishna owns a residential house in Delhi. The particulars of the house for the PY 2015-16 are as follows:

(₹)

| | |
|-----------------------------------|--------------------------------|
| Standard Rent | 220,000 p.a. |
| Municipal Valuation | 244,000 p.a. |
| Fair Rent | 235,000 p.a. |
| Municipal Tax paid by Mr. Krishna | 12% of the municipal valuation |
| Interest on borrowed capital | 2,000 p.m. |
| Insurance charges | 3,500 p.a. |
| Painting expenses | 16,000 p.a. |

Compute Income from House Property for the AY 2016-17.

26. Mr. X has a total income of ₹12,00,000 during the AY 2017-18.
 - a) Compute his gross tax liability.
 - b) What would be his tax liability if he is over 60 years of age?
27. What are the procedures for calculation of tax liability of an individual? Explain the terms Gross Total Income and Total Income. What are the deductions allowable from GTI?
28. What do you understand by GST? What are its implications? What is the status of implementation of GST? How is it going to affect the existing indirect taxes in the country?

(2x15=30)