

June - 2008

Roll No. ....

Subject Code—9680-X

**B. B. A. (Third Year) EXAMINATION**

(Old Scheme)

BBA-306

**INCOME TAX LAW AND PRACTICE**

*Time : 3 Hours*

*Maximum Marks : 80*

**Note :** Attempt any *Five* questions. All questions carry equal marks.

1. From the following particulars of the income of Mr. 'DOME', a senior officer of ABD Ltd. New Delhi, compute his total income for the A.Y. 2007-08 :

- (i) Basic pay—Rs. 3,54,000
- (ii) CCA-@ 23% of basic pay
- (iii) Entertainment Allowance—Rs. 54,000
- (iv) Conveyance Allowance—Rs. 47,000
- (v) Family Allowance—Rs. 16,000

- (vi) Bonus @ 12% of basic pay
- (vii) Rent-free accommodation of a fair rental value of—Rs. 26,000 p.a.
- (viii) Other information are :
  - (a) 46.67% of conveyance allowance has been spent.
  - (b) His employer contributes 11.43% of basic pay to the recognized provident fund and interest is 12.5% p.a. thereon.
  - (c) The employer in the house has provided furniture of worth Rs. 2,38,000.

Support your answer with detailed neat and sparkling working notes.

2. "Under section 80 of the I.T. Act, 1961, the deductions are to be claimed by the assessee." Discuss main provisions with examples.

"Assessments of firm and HUF are one and the same thing." Comment.

4. "The incidence of taxation depends on the residential status of an assessee." Discuss and illustrate.
5. Define annual income under house property head of income. What are different deductions available u/s 24 of Income Tax Act, 1961 ?
6. The business income of 'LMP' partnership firm before charging the following is Rs. 28,60,000 :
  - (a) Remuneration to working partners—Rs. 11,66,000
  - (b) Brought forward business losses—Rs. 11,36,000
  - (c) Unabsorbed depreciation—Rs. 11,67,000
  - (d) Unabsorbed capital expenditure on scientific research—Rs. 11,35,000
  - (e) Compute the total income and tax liability of the firm for the assessment year 2007-08 along with detailed working notes.



7. Write short notes on the following :
- (a) Double Taxation;
  - (b) Tax law requirements for accounting system.
8. Discuss and elaborate the duties and rights of income tax authorities in India. Are you satisfied with the performance for income tax administration in India ? If not, give at least five good suggestions in this context.
9. Explain the provisions relating to such income, which are neither included in total income nor income tax payable on them.
10. Write a detailed note on the provisions relating to set off and carry forward of losses. Is there any difference between normal business losses and speculative losses for this purpose ?