

BBA 3rd Semester Exam., 2019

BUSINESS TAXATION

Time : 3 hours

Full Marks : 60

Instructions :

- (i) The marks are indicated in the right-hand margin.
- (ii) There are **SEVEN** questions in this paper.
- (iii) Attempt **FIVE** questions in all.
- (iv) Question Nos. **1** and **2** are compulsory.

1. Choose the correct answer (any six) : 2×6=12

- (a) Income tax is collected on all types of income, *except*
 - (i) agricultural income
 - (ii) industrial income
 - (iii) capital gain
 - (iv) household property
- (b) The Income-tax Act came into force from
 - (i) 1st March, 1971
 - (ii) 1st April, 1971
 - (iii) 1st March, 1961
 - (iv) 1st April, 1961

- (c) The Income-tax Act came into force all over India, *except*
 - (i) Andaman and Nicobar
 - (ii) Maldives
 - (iii) Jammu and Kashmir
 - (iv) None of the above
- (d) As per Income-tax Act, 1961, income tax is charged on the income of ____ at a rate which is prescribed by the Finance Act of relevant assessment year.
 - (i) current year
 - (ii) one year before previous year
 - (iii) previous year
 - (iv) None of the above
- (e) The tax payer liability is determined with reference to his or her
 - (i) financial status
 - (ii) residential status
 - (iii) Both (i) and (ii)
 - (iv) None of the above

- (f) Under Income-tax Act, the income liable for tax is classified on the basis of
- (i) income from salaries
 - (ii) income from house property
 - (iii) agricultural income
 - (iv) Both (i) and (ii)
- (g) Agricultural income is completely exempted for Assessment Year,
- (i) 1974-75
 - (ii) 1985-86
 - (iii) 1975-76
 - (iv) 1978-79
- (h) The income from foreign companies by providing the services in project connected with security of India is _____ from tax liability.
- (i) 50% exempted
 - (ii) 20% exempted
 - (iii) 100% exempted
 - (iv) 55% exempted

- (i) An individual is said to be resident in India if
- (i) it is in India in the previous year for a period of 182 days or more
 - (ii) it is in India for period of 60 days or more during the previous year and 365 days or more during the four years immediately preceding previous year <https://www.akubihar.com>
 - (iii) Both (i) and (ii)
 - (iv) None of the above

2. Answer any *three* of the following short answer-type questions : 4×3=12.

- (a) Distinguish between the following :
- (i) Belated return of income and revised return of income
 - (ii) Short-term capital gains and long-term capital gains
 - (iii) Statutory provident fund and recognized provident fund
- (b) Explain the procedure regarding refund of excess tax paid by the assessee to the department.

- (c) Define the meaning of services under the service tax.
- (d) What is meant by exempted goods under the VAT? Give at least four examples of such goods.
- (e) What is input VAT credit? Will the input VAT credit be available in case of purchase of capital goods? Explain.

Answer any *three* of the following long answer-type questions : 12×3=36

3. Explain with the help of suitable illustration, how capital gains are computed under Section 45(2) in case of conversion of capital asset into stock-in-trade.
4. Discuss the exemption available to small service providers from paying service tax.
5. Who is liable to pay advance income tax? On what dates the instalments of advance tax are payable and what amount is to be paid under each instalment?

6. Write short notes on any two of the following :
- (a) Persons exempted from wealth tax
- (b) Methods of accounting
- (c) Belated return of income under Section 139(4) of the Income-tax Act, 1961
7. "Service tax is payable as soon as advance is received even if the service is provided later." Justify the statement.

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