



UNIVERSITY OF NORTH BENGAL
BBA Honours 3rd Semester Examination, 2020

CC5-BBA (301)

INCOME TAX LAW AND PRACTICE

Full Marks: 60

ASSIGNMENT

The figures in the margin indicate full marks.

GROUP-A

Each assignment carries 30 marks. Answer any two assignments 30×2 = 60

1. (a) What do you understand by residential status? Discuss how the residential status of an individual is determined. 15+15=30
(b) What is the meaning of term “Cost of acquisition” as used in the head Capital gains? What rules are given for the determination of cost of acquisition?
2. (a) What deduction are allowed from the annual value in computing taxable income from house property? Discuss the tax treatment of interest on house building loan while calculating income under head house property. In this context detail out the provisions of section 24 (b) and section 80 EEA. 20+10=30
(b) If the total income of an assessee counts of 8 lakh rupees from salary and 7 lakh from house property, state whether it would be beneficial for the assessee to calculate taxable income under the old system or the new system for assessment year 2020-2021. Show all calculations.
3. (a) Mr. X is employed with ABC Ltd. on a monthly salary of Rs. 25,000 per month and an entertainment allowance and commission of Rs. 1,000 per month each. The Company provides him the following benefits: 15
 - (i) A Company owned accommodation is provided to him in Kolkata. Furniture costing Rs. 2,40,000 was provided to him on 01.08.2019.
 - (ii) A personal loan of Rs. 5,00,000 on 01.07.2019 in which it charges interest @6.75% p.a. The entire loan is outstanding (assess JBD rate of interest on 01.04.2019 was 12.75% p.a.)
 - (iii) His son is allowed to use a motorcycle belonging to the company. The company had purchased this motor cycle for Rs. 60,000 on 01.05.2016. The motor car was finally sold to him on 01.08.2019 for Rs. 30,000. Professional tax paid by Mr. X is Rs. 2,000. Compute the Income from salary of Mr. X for the AY 2020-21.

- (b) Mr. Y owner one residential house in Kolkata. The house has two units. First unit of the house is self occupied and another unit is let out @ Rs. 8,000 per month. The rented unit was vacant for two months during the Year. The particulars of the house for the PY 2019-20 is as under:

Standard Rent	Rs. 1,62,000 p.a.
Municipal Value	Rs. 1,90,000 p.a.
Fair Rent	Rs. 1,85,000 p.a.
Municipal tax (paid by Y)	15% of Municipal value
Interest on borrowed capital	Rs. 1,500 p.m.
Repair	Rs. 12,000 p.a.
Insurance charges	Rs. 3,000 p.a.
Lease payment	Rs. 1,200 p.a.

Compute Income from House Property of Mr. Y for AY 2020-21.

—x—