V Semester B.B.A. Examination, January/February 2026
(NEP Scheme) (Freshers+Repeaters)
BUSINESS ADMINISTRATION
5.2 : Income Tax – I

Time : 2½ Hours Max. Marks : 60

Instruction : *Answer should be written **completely** in **English** only.*

SECTION – A

Answer **any six** sub-questions. **Each** sub-question carries **two** marks. **(6×2=12)**

1. a) Give the meaning of total income.

   b) Define pension.

   c) Who is a non-resident ?

   d) What do you mean by perquisite ?

   e) What is rent free accommodation ?

   f) What is standard rent ?

   g) State the due dates of advance tax payments for individual assessee.

   h) Expand PAN and TDS.

SECTION – B

Answer **any three** questions. **Each** question carries **four** marks. **(3×4=12)**

2. State whether the following are agricultural or non-agricultural income.

   a) Income from growing flowers and creepers.

   b) Dividend received from a company engaged in agricultural operations.

   c) Interest on loan given to a farmer.

   d) Income from agricultural activities in Sri Lanka.

3. Mr. Kanshiram is an employee of IBM Co. Ltd., Bengaluru. He has left India for the first time on 15th July, 2024 for higher education in UK. Calculate his residential status for the A.Y. 2025 – 26.

4. Mr. Kumar is a non-government employee getting pension of ₹ 16,000 per month from a company. During the previous year 2024 – 25 he got his 2/3rd pension commuted and received ₹ 9,84,000. Compute his taxable pension for the A.Y. 2025 – 26.

5. Municipal value ₹ 72,000

   Fair rental value ₹ 70,000

   Standard rent ₹ 80,000

   Actual rent ₹ 6,500 per month

   Two months vacancy period and one month unrealised rent. Calculate Gross annual value.

6. Mr. Raj has an estimated tax liability of ₹ 5,40,000 for the financial year 2024 – 25. Calculate Advance tax Installments.

SECTION – C

Answer **any three** questions. **Each** question carries **twelve** marks. **(3×12=36)**

7. Devika furnishes the following information of her income for the A.Y. 2025 – 26, find out her total income if her residential status is :

   a) Ordinary resident

   b) Not ordinary resident and

   c) Non-resident

      (i) Income from business in Mumbai ₹ 1,00,000.

      (ii) Profit from business in USA controlled from India ₹ 50,000.

      (iii) Income from house property in Japan received there ₹ 50,000.

      (iv) Income from business in India, but received in London ₹ 30,000.

      (v) Salary received in India for service rendered in USA ₹ 70,000.

      (vi) Past untaxed foreign income brought to India ₹ 8,000.

      (vii) Dividend received from a domestic company ₹ 5,000.

      (viii) Interest earned on post office saving bank A/c ₹ 3,000.

      (ix) Interest received on private company securities ₹ 25,000.

      (x) Gift in cash from her father ₹ 30,000.

8. Mrs. Sudha Chandra is a physically challenged person working in Infoysis Company Ltd., Mysuru has furnished the following details of her income for the year 2024 – 25. Compute her income from salary for the A.Y. 2025 – 26.
   a) Basic salary ₹ 40,000 p.m.
   b) Dearness allowances enters into retirement benefits ₹ 24,000 p.m.
   c) Fixed percentage of commission on sales ₹ 1,500 p.m.
   d) Bonus ₹ 65,000.
   e) HRA ₹ 12,500 p.m. (Rent paid ₹ 10,600 p.m).
   f) Transport allowances ₹ 4,000 p.m.
   g) Reimbursement of medical expenses ₹ 17,500 for treatment taken in private hospital.
   h) Employer's contribution and own contribution to RPF is 15% of salary.
   i) Interest credited to RPF is ₹ 11,000 at 11% p.a.
   j) Professional tax paid by employee is ₹ 400 p.m.
   k) Children education allowance ₹ 600 p.m. per child for two children and children hostel allowance ₹ 1,000 p.m. for two children.
9. Mr. Punith, sales manager of Wipro Ltd., Mumbai has furnished the following details of his income for the year ending 31/03/2025. Compute his income from salary for the A.Y. 2025 – 26.
   a) Basic salary ₹ 20,000 p.m.
   b) Dearness allowances ₹ 6,000 p.m. (forming part of salary).
   c) Bonus equal to 3 months basic salary.
   d) Entertainment allowances ₹ 2,500 p.m. (amount spent ₹ 12,000).
   e) Children hostel allowances for his three children ₹ 400 p.m. per child.
   f) Reimbursement of medical bills ₹ 22,000 for the treatment taken in a private nursing home.
   g) He is provided with rent free furnished accommodation owed by the company. Cost of furniture ₹ 1,00,000, FRV of the house is ₹ 7,500 p.m.
   h) Free telephone at his residence ₹ 3,500.
   i) Medical insurance premium of Mr. Punith paid by the company ₹ 4,000 p.a.
   j) Employment tax paid by the company ₹ 1,000 p.a.
   k) Own contribution and Company's contribution to RPF ₹ 36,000. Interest credited to RPF at 14% ₹ 14,000.

10. Mr. Mourya is an owner of three houses in Bengaluru.

Particulars	House A	House B	House C
	₹	₹	₹
Fair Rent	18,000	15,000	12,000
Municipal valuation	15,000	20,000	10,000
Let out (per month)	2,000	1,500	2,500
Used by tenant	Residential	Office	Residential
Construction started	30/5/2020	1/1/2020	2/3/2017
Construction completed	1/4/2023	1/6/2023	31/3/2018
Repair expenses	1,000	–	4,000
Collection charges	2,000	500	–
Interest on Loan			
a) For Construction	10,000	–	–
b) For marriage of daughter	–	6,000	–
c) For repairs	–	–	1,000

Municipal tax is 10% of municipal valuation. Municipal tax of House A was paid by owner but Municipal tax of House B was not paid upto 31st March, 2025. Municipal tax of House C was paid by the tenant. The House C was remained vacant for 2 months.

Compute income from house property for the assessment year 2025 – 26.

11. From the following information of Smt. Nishanvi (Resident), compute her total income for the A.Y. 2025 – 26.

		₹
a)	Income from business (computed)	3,25,000
b)	Income from salary	8,50,000
c)	Rent from house property (Municipal tax ₹ 1,200)	1,20,000
d)	Income from other sources	75,000
e)	Life Insurance premium paid	22,000
f)	Contribution to PPF	15,000
g)	Donation to PM Relief fund	25,000
h)	Medical Insurance Premium paid on her health	14,000
i)	Interest on education loan on her daughter	13,500