

Roll No



PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 10/03/2026

Time: 02:00 PM - 03:30 PM

Course Code: BBA2044

Course Name: Income Tax for Managers

Semester: Fourth Semester

Max. Marks: 50

Weightage: 50%

CO - Levels

CO1

CO2

Marks

48

42

PART-A: Answer Following Questions. 10 M

Qn.No	Questions	M	CO	BT
1	Define Income under Section 2(24) of the Income Tax Act.	2	CO1	BT2
2	State any two exceptions to the Previous Year rule.	2	CO1	BT2
3	What is Advance Salary? How is it taxed?	2	CO2	BT2
4	Mention any two Canons of Taxation framed by Adam Smith and explain briefly.	2	CO1	BT2
5	What is meant by Impact and Incidence of Tax?	2	CO1	BT2

PART-B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	<p>Mr. Naveen, an Indian citizen, provides the following details of his stay in India:</p> <ul style="list-style-type: none"> Stayed in India for 110 days during P.Y. 2024-25. Stayed in India for 420 days during the four previous years preceding P.Y. 2024-25. He left India on 15th December 2024 for employment in Canada. He was previously working in India until his departure. <p>Required:</p>	10	CO1	BT4

	<p>1. Determine whether Mr. Naveen is Resident or Non-Resident for P.Y. 2024-25.</p> <p>2. If Resident, classify him as:</p> <ul style="list-style-type: none"> ◦ Resident and Ordinarily Resident (ROR) ◦ Resident but Not Ordinarily Resident (RNOR) <p>3. Give proper reasons based on Section 6 of the Income Tax Act.</p>			
7	<p>Explain the concept of Gross Total Income (GTI) under the Income Tax Act.</p> <p>Your answer should include:</p> <ol style="list-style-type: none"> 1. Meaning and definition of Gross Total Income 2. The five heads of income included in GTI 3. The difference between Gross Total Income and Total Income 4. The role of Chapter VI-A deductions in determining Total Income <p>Illustrate your answer with a small numerical example.</p>	10	CO1	BT4

PART-C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	<p>Mr. Rohan is employed in Mumbai. The following details are given for P.Y. 2024-25:</p> <ul style="list-style-type: none"> • Basic Salary: ₹80,000 per month • DA (forming part of retirement benefits): ₹20,000 per month • HRA received: ₹35,000 per month • Rent paid: ₹40,000 per month <p>Required:</p> <ol style="list-style-type: none"> 1. Compute Salary for HRA purposes. 2. Calculate exemption under Section 10(13A). 3. Determine taxable HRA. 	10	CO2	BT3

9	<p>Mr. Amit, a private sector employee in Bengaluru, furnishes the following details for P.Y. 2024-25:</p> <ul style="list-style-type: none"> • Basic Salary: ₹55,000 per month • DA (forming part): ₹8,000 per month • Entertainment Allowance: ₹6,000 per month • Professional Tax paid: ₹2,500 per annum • Bonus: ₹40,000 • Conveyance Allowance: ₹3,000 per month <p>Required:</p> <p>Compute his Income from Salary for A.Y. 2025-26 after considering admissible deductions.</p>	10	CO2	BT3
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PART-D: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
10	<p>From the following particulars of Mr. Daniel for P.Y. 2024-25, compute his Gross Total Income assuming he is:</p> <p>a) Resident and Ordinarily Resident b) Resident but Not Ordinarily Resident c) Non-Resident</p> <p>Particulars:</p> <ul style="list-style-type: none"> • Income from house property in USA - ₹1,50,000 • Business income in Dubai (controlled from India) - ₹2,00,000 (50% received in India) • Interest on Indian Bank Deposit - ₹40,000 • Agricultural income in Sri Lanka - ₹60,000 • Past foreign untaxed income brought to India - ₹80,000 	10	CO1	BT3
11	<p>Explain the basic concepts of Income Tax under the Income Tax Act, 1961. (Discuss the meaning of Income, Previous Year, Assessment Year, Person, Assessee, Gross Total Income and Total Income. Support your explanation with suitable examples wherever necessary.)</p>	10	CO1	BT3

PART-E: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
12	<p>Ms. Bindiya is a private sector employee working in Delhi (population above 25 lakhs). She is provided with rent-free unfurnished accommodation owned by the employer.</p> <p>The following details are given for P.Y. 2024-25:</p> <ul style="list-style-type: none">• Basic Salary: ₹60,000 per month• DA (forming part of retirement benefits): ₹15,000 per month• Entertainment Allowance: ₹6,000 per month• Children Education Allowance: ₹1,000 per month per child (2 children)• Children Hostel Allowance: ₹3,000 per month per child (2 children)• Family Allowance: ₹4,000 per month• City Compensatory Allowance: ₹5,000 per month• No rent is recovered from the employee <p>Required:</p> <ol style="list-style-type: none">1. Compute value of Rent-Free Accommodation.2. Compute Income from Salary for A.Y. 2025-26.	10	CO2	BT3
13	<p>“Not every benefit received from an employer is taxable.”</p> <p>Explain this statement with reference to:</p> <ol style="list-style-type: none">1. Fully taxable allowances2. Partially exempt allowances3. Fully exempt allowances4. Taxable and exempt perquisites <p>Support your answer with suitable examples and relevant sections of the Income Tax Act.</p>	10	CO2	BT3