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Bengaluru

Even Semester End Term Examination, May / June 2026

Date: 19/05/2026 **Time: 09.30 AM - 12.30 PM**

Course Code: BBA2044	**Course Name: Income Tax for Managers**	
Semester: Fourth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	**CO1**	**CO2**	**CO3**	**CO4**	**CO5**
Marks	**34**	**36**	**38**	**36**	**36**

Part A: Answer Following Questions. 20 M

Qn.No	**Questions**	**M**	**CO**	**BT**
1	Define Assessee.	2	CO1	BT2
2	What is Previous Year?	2	CO2	BT2
3	Explain any one canon of taxation.	2	CO3	BT2
4	State the amount of standard deduction available under the head “Income from Salary” as per the Income-tax Act, 1961.	2	CO4	BT2
5	Define RFA.	2	CO2	BT2
6	Define Net Annual Value.	2	CO3	BT2
7	What is unrealized rent?	2	CO3	BT2
8	Define depreciation.	2	CO4	BT2
9	What deduction is available under Section 80D?	2	CO5	BT2
10	Define Total Income.	2	CO5	BT2

Part B: Answer Any 1 Following Questions. 16 M

Qn.No	**Questions**	**M**	**CO**	**BT**
11.a	Explain the Canons of Taxation as propounded by Adam Smith.	6	CO1	BT3
11.b	Mr. John, a foreign citizen, first came to India on 1st July 2021. His stay in India is as follows:	10	CO1	BT4

	PY 2021–22: 120 days PY 2022–23: 200 days PY 2023–24: 160 days PY 2024–25: Stayed from 1st April 2024 to 31st December 2024 Additional Information: He has never visited India before 2021 He is not a person of Indian origin Required: Determine the residential status of Mr. John for the Assessment Year 2025–26 as per the Income-tax Act, 1961.			
12.a	Explain components of salary.	6	CO2	BT3
12.b	Mr. Ramesh (Bangalore) provides the following: • Basic Salary: ₹50,000 p.m. • DA (forming part): ₹10,000 p.m. • HRA: ₹20,000 p.m. • Rent paid: ₹18,000 p.m. • Electricity bill paid by employer: ₹36,000 • Bonus: ₹50,000 • Professional tax: ₹2,500 Compute Taxable Salary.	10	CO2	BT4

Part C: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13.a	Explain basis of charge for income from house property.	6	CO3	BT3
13.b	Given the following details: • MV ₹2,40,000; FR ₹2,80,000; SR ₹2,50,000 • Rent ₹25,000 p.m. • Vacancy: 4 months • Unrealized rent: ₹40,000 • Municipal tax paid: ₹25,000 Compute income from house property and explain adjustments.	10	CO3	BT4
14.a	Explain allowable and disallowed expenses in business income.	6	CO4	BT3
14.b	Net Profit as per P&L A/c: ₹4,00,000 Adjustments: • Depreciation (books): ₹60,000 (IT allowed: ₹80,000) • Income tax: ₹30,000 • Cash payment: ₹25,000 • Personal expenses: ₹15,000 • Bad debts written off: ₹20,000 • Provision for bad debts: ₹10,000 • Interest from bank: ₹25,000	10	CO4	BT4

	Compute taxable business income.			

Part D: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
15.a	Explain deductions under Sections 80C and 80D.	6	CO5	BT3
15.b	Compute Total Income from the following: • Salary: ₹6,00,000 • House Property: ₹1,20,000 • Business Income: ₹2,00,000 • Other Sources: ₹50,000 • Agricultural Income: ₹1,00,000 Deductions: • Section 80C: ₹2,50,000 • Section 80D: ₹25,000	10	CO5	BT4
16.a	Explain the features of Income tax.	6	CO1	BT3
16.b	Explain the concept of **Casual Income with suitable examles** and its tax treatment. A person wins ₹5,00,000 from a lottery and receives ₹50,000 as gift from a friend. a) Determine taxability b) Explain special rate of tax c) Comment on deductions applicability	10	CO1	BT4

Part E: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17.a	Explain different types of **Allowances under Salary** and their tax treatment.	6	CO2	BT3
17.b	Mr. Kiran (residing in Bangalore) provides the following details for the Previous Year 2024–25: • Basic Salary – ₹60,000 per month • Dearness Allowance (forming part of retirement benefits) – ₹10,000 per month • Bonus – ₹40,000 **Perquisites:** • Rent-Free Accommodation (RFA) provided in Bangalore (owned by employer) for the full year • Salary for RFA purpose to be considered as Basic + DA (forming part)	10	CO2	BT4

	Additional Information: • Municipal Value of house – ₹2,40,000 per annum • Fair Rent – ₹2,80,000 per annum • Standard Rent – ₹2,60,000 per annum • Furniture provided costing ₹1,50,000 • Professional Tax paid – ₹2,500 **Required:** 1. Compute the **value of Rent-Free Accommodation (RFA)**. 2. Compute the **Taxable Income from Salary** for the Assessment Year 2025–26			
18.a	Explain deductions available under **Section 24** of the Income Tax Act.	6	CO3	BT3
18.b	Mr. B owns two house properties: **Property 1 (Self-Occupied)** • Interest on housing loan: ₹1,80,000 **Property 2 (Let-Out)** • Municipal Value: ₹3,00,000 • Fair Rent: ₹3,20,000 • Standard Rent: ₹3,10,000 • Actual Rent: ₹30,000 p.m. • Vacancy: 2 months • Unrealized rent: ₹40,000 • Municipal taxes paid: ₹30,000 **Tasks:** a) Compute income from each property b) Compute **total income from house property**	10	CO3	BT4

Part F: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
19.a	Explain **disallowed expenses under the Income Tax Act** with examples.	6	CO4	BT3
19.b	Dr. Sharma, a medical practitioner, provides the following details for the year: • Net Profit as per Income & Expenditure A/c: ₹8,00,000 **Additional Information:** • Depreciation charged in books: ₹60,000 (Depreciation as per IT: ₹90,000) • Household expenses debited: ₹40,000 • Medical equipment purchased: ₹2,00,000 (used for 150	10	CO4	BT4

	days; eligible for depreciation @15%) • Donation to charitable institution: ₹50,000 • Provision for bad debts: ₹25,000 • Actual bad debts written off: ₹20,000 • Cash payment exceeding ₹10,000: ₹30,000 • Interest received from bank: ₹40,000 (included in income) • Salary paid to assistant (wholly for profession): ₹1,20,000 **Tasks:** Compute **Income from Profession**			
20.a	Explain the **procedure for computation of Total Income** of an individual.	6	CO5	BT3
20.b	Mr. Arjun provides the following details for PY 2024–25: **Income from Salary** • Basic Salary: ₹7,20,000 • DA (forming part): ₹1,20,000 • HRA received: ₹3,00,000 • Rent paid: ₹2,40,000 • Perquisites: ₹50,000 • Professional tax: ₹2,500 **Income from House Property** • Property 1 (SOP): Interest ₹1,50,000 • Property 2 (LOP): Income ₹2,00,000 **Business Income** • Profit as per books: ₹3,00,000 • Disallowed expenses: ₹50,000 • Additional depreciation: ₹40,000 **Other Sources** • Interest income: ₹60,000 **Deductions** • Section 80C: ₹1,50,000 • Section 80D: ₹25,000 **Tasks:** a) Compute **Gross Total Income** b) Compute **Total Taxable Income**	10	CO5	BT5