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DCBB602/DCAM602

Reg. No.

VI Semester B.B.A.(AM)/B.B.A.(Reg) Degree Examination, June/July - 2026

BUSINESS ADMINISTRATION

Income Tax - II

Paper : 6.2

(NEP Scheme F+R)

Time : 2½ Hours **Maximum Marks : 60**

Instructions to Candidates:

Answers should be written in English only.

SECTION - A

Answer any FIVE of the following sub questions. Each sub question carries 2 marks.
(5×2=10)

1. a) What is Business?

   b) What is short term capital gain?

   c) What does "Block of Assets" mean?

   d) Give the meaning of Tax free securities.

   e) If net income from lottery is Rs. 4,20,000 find the gross amount.

   f) What is Inter-Head set off?

   g) What is Taxable Income?

SECTION - B

Answer any FOUR of the following questions. Each question carries 5 marks.
(4×5=20)

2. State the provisions regarding set off of inter head losses.

3. State the admissability of following with reasons if any.

   a) Income Tax paid Rs. 20,000.

   b) Penalty paid Rs. 50,000 to custom authorities.

   c) Loss due to theft at office Rs. 20,000.

   d) Provident fund paid on 18.04.2025 Rs. 30,000 due on 31.03.25.

   e) Interest on loan taken for daughters marriage Rs. 10,000.

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4. Mr. Ramesh purchased a House property in 1995 for Rs. 3,80,000 and incurred an expenditure of Rs. 80,000 for improvement in 1999. The FMV of the house on 1.4.2001 was Rs. 6,00,000. He constructed first floor to the house during 2004-05 and incurred an expense of Rs. 12,00,000. The property was sold on 1.6.2024 for Rs. 60,00,000 and expenses on transfer were 3%. Compute taxable capital gain (11-2001-02 = 100, 2004-05 = 113, 2024-25 = 363).

5. Mr. Arun furnished following particulars of his income for the year 2024-25. Compute his taxable income from other sources.

   a) Interest on Tax free securities of AB Co., Rs. 8,980.

   b) Dividend from foreign company (Gross) Rs. 10,000.

   c) Winning from Races Rs. 17,780 (net).

   d) Interest on POSB A/c Rs. 1,500.

   e) Income from undisclosed source Rs. 50,000.

6. Mr. Ganesh aged 45 years submits the following particulars for the PY - 2024-25.

a)	Income from salary (computed)	Rs. 4,00,000
b)	Income from House property (computed)	Rs. 2,00,000
c)	Income from Agriculture in Mysore	Rs. 30,000
d)	Income from Business	Rs. 5,00,000

Calculate his tax liability assuming he has no other savings (As per old tax regime).

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. Dr. V. Rao, a doctor by profession, submits the following receipts and payments account for the year ended 31.03.25. Receipts and payment A/c for the year ended 31.3.25

Receipts	Rs.	Payments	Rs.
To Balance b/d	70,000	By Rent of clinic	
To Consultation fees		2023-24	80,000
		2024-25	1,20,000
2023-24	25,000	By surgical equipment	1,00,000
2024-25	2,50,000	By computers	50,000
2025-26	30,000	By Interest on loan	12,000
To visiting fees	80,000	By Books (Professional)	15,000

To Winning from lottery (Gross)	50,000	By Purchase of car	1,50,000
To Interest from bank	30,000	By House hold exp.	20,000
To Gift from patients	40,000	By Income tax	5,000
To Share from HUF	20,000	By LIC premium	18,000
To Sale of medicine	90,000	By Gift to mother	12,000
To Loan from bank for profession	1,50,000	By Car expenses	30,000
		By Lottery tickets	25,000
		By Staff salary	1,20,000
		By Balance c/d	78,000
	8,35,000		**8,35,000**

Additional Information:

a) Depreciate Car by 15% Car is used 40% for personal and 60% for professional purpose. Depreciate surgical equipment by 15% and computer by 40%.

b) Surgical equipment and computers were purchased on 10.11.2024.

c) Accounts were maintained on cash basis. Compute taxable income from profession for AY-2025-26.

8. Mr. Balaji submits the following particulars of his income for the year ended 31.3.2025.

a) Family pension Rs. 90,000

b) Winning from Lottery (Net) Rs. 35,000

c) Interest on fixed deposit Rs. 15,000

d) Rent from sub letting Rs. 3,000 p.m. Rent paid Rs. 1,500 p.m. Repair expenses Rs. 500.

e) Agricultural income in Kolar Rs. 5,000.

f) Dividend from RIL Rs. 7,000.

g) He holds the following investments

i. Rs. 2,00,000 9% taxfree commercial securities

ii. Rs. 1,00,000 8% listed debentures of XYZ Ltd.,

iii. Rs. 81,000 10% less Tax securities of ABC Ltd.,

h) Dividend from UTI Rs. 8,000.

i) Income from letting out plant and machinery Rs. 1,20,000, Depreciation Rs. 12,000 repairs Rs. 7,000.

Compute his taxable income from other sources for the AY-2025-26.

9. Mrs. Minu submits the following particulars:

Incomes:

a)	Salary income (computed)	Rs. 7,50,000
b)	Income from House property (computed)	Rs. 6,50,000
c)	Short term capital gain	Rs. 24,000
d)	Income from other sources	Rs. 75,000

Payments:

a)	Contribution to RPF	Rs. 65,000
b)	LIC premium	Rs. 25,000
c)	Donation to PM Relief fund	Rs. 8,500
d)	Interest on Education loan of Son	Rs. 15,000
e)	Donation for promotion of family planning	Rs. 5,000
f)	Medical insurance premium	Rs. 12,000

Compute her Taxable Income for the Assessment Year 2025-26 as per old tax regime.

SECTION - D

Answer any ONE of the following question. Which carries 6 marks. (1×6=6)

10. Mention the procedure involved in computation of income from profession of a Chartered Accountant.

11. List out different types of capital assets and identify the procedure involved in computation of tax for the same (as per old regime).