

Dr. Babasaheb Ambedkar Open University
Term End Examination February – 2026

Course	: BBA	Date	: 16-Feb-26
Subject Code	: BBA-501(NEW)	Time	: 11:30am to 01:45pm
Subject Name	: Taxation	Duration	: 02.15 Hours
		Max. Marks	: 70

Section A

Answer the following (Attempt any three)

(30)

1. Explain the registration process under CST Act.
2. From the following details, compute the central sales-tax payable by a dealer carrying on business in New Delhi:
Turnover Total for the year which included 16,00,000
(i) Trade commission for which credit notes have to be issued separately 48,000
(ii) Installation charges 25,000
(iii) Excise duty 80,000
(iv) Freight, insurance and transport charges recovered separately in the invoices 60,000
(v) Goods returned by dealers within six months of sale, but after the end of financial year 40,000
(vi) Central Sales-tax
Buyers have issued 'C' forms for all purchases.

3. Explain the Advantages and Disadvantages of direct taxes.
4. Explain the Expenses allowed as Deduction from Profit and Gain of Business or Profession.
5. Ashutosh owns three houses for his residential purposes. The following are the details of these houses.

Particulars	House I Rs.	House II Rs.	House III Rs.
Municipal valuation	82,000	50,000	70,000
Fair rent	75,000	60,000	65,000
Standard rent under Rent Control Act	70,000	70,000	65,000
Municipal taxes	8,200	6,000	7,000
Repairs	8,000	6,000	----

Ground rent is paid @ 10% of net annual value in respect of each house. Interest paid on capital borrowed for renewal of house property No. 1 & 3 amounting to Rs. 28,000 and Rs. 32,000 respectively, the loan was taken on 1st June 2000.

You are required to determine taxable income from house property of Mr. Ashutosh for the AY 2007-08

Section B

Answer the following (Attempt any four)

(20)

1. Explain the format of Form V (B) for Declaration.
2. Explain the Objectives and Scope of Service Tax Act, 1994.
3. Explain the legal provisions under different circumstances for registration procedure of service tax.
4. Shri Hari Gopal is a member of parliament from Pune. During the previous year 2009-10, he had the following incomes:
 1. As a member of parliament, he received a salary of Rs. 8,000 p.m. & daily allowance of Rs. 40,000 for attending various sessions.
 2. He held the following investments.
 - a. 10% Preference Shares in Pune Sugar works Ltd., of the Rs. 10,000. At Rs.100 each.
 - b. 2,000 equity shares of Rs. 10 each in Tata Finlay Ltd. The company declared & paid a dividend at 15 % on 15th February, 2006.
 - c. A 10% fixed deposit of Rs. 20,000 is held by him in Indian Banks. Interest is credited annually.
 - d. He received dividend of Rs. 1,000 from a co-operative society.
 3. He won Rs. 8,000 in crossword puzzles.
 4. On 1st September, 2004 he purchased a plot of land for constructing his house. On account of shortage of funds, he could not get this house constructed and hence let out the plot at Rs. 300 per month from 1st November, 2005.
 5. He has let machinery and furniture and also building to Mr. Krishna Gopal at a monthly rent of Rs. 10,000. He spent Rs. 3,000 on the repair of machinery, furniture and building during the previous year. Depreciation allowed in respect of these assets for the previous year was Rs. 20,000.

The Bank charged Rs. 40 as commission on collection of dividends from various companies.

Compute the taxable income of Shri Hari Gopal under the head Income from other Sources.
5. Write a short note on Exemption from Service Tax.
6. Write a short note on Agricultural Income.

Section C

Part – A (Multiple Choice Questions)

(10)

- 1 Inflation index is used in case of
 - A long term capital gain
 - B short term capital gain
 - C both
 - D none of these
- 2 The term individual means a_____.
 - A Natural person
 - B A company
 - C Natural person and a company
 - D All of the above
- 3 Aggregate of sale price by a dealer is known as _____.
 - A Turnover
 - B Sales
 - C profit
 - D none of these

- 4 Agriculture income is _____ under income tax act.
 A Exempted B Taxable
 C Partially taxable D none of these
- 5 An application for registration under Section 7 shall be made by a dealer to the notified authority in _____.
 A Form B B Form A
 C Form C D none of these
- 6 The _____ provides the division of the tax powers between the Central and the States.
 A Constitution of India B Government of India
 C State government D none of these
- 7 A _____ is a contribution by individuals as well as organization to the government to undertake various public activities.
 A Interest B Penalty
 C Tax D fine
- 8 India has a _____ tier Government
 A Two B Four
 C Three D five
- 9 Every person liable to pay service tax is required to furnish a _____ return of service tax in the prescribed manner.
 A half-yearly B quarterly
 C yearly D none of these
- 10 _____ special records have been prescribed for the purpose of service tax.
 A many B No
 C both D none of these

Part – B (Do as Directed)

(10)

- 1 Define Tax Secrecy.
- 2 Define Sales Tax.
- 3 Define Taxpayer Identification Number.
- 4 Define Dividends.
- 5 Explain Tax free Government Securities.
- 6 Define Input Tax.
- 7 Define Indirect Tax.
- 8 Define Taxable Year.
- 9 Define House Rent Allowance.
- 10 Define Underlying Tax.
