

Daffodil International University
Faculty of Business & Entrepreneurship
Department of Business Administration
Program: BBA

Semester: Fall-2025

Time: 2 Hours

Course Title: Income Tax Accounting

Section: 64-A/64-B/64-C/64-D

Examination: Final

Full Marks: 40

Course Code: 0411-323

Teacher's Name: RM/MRI/Imrul

Answer all the questions.

Figures in the right margin indicate marks.

1. (a) **Explain** tax deducted at source, tax-exempt government securities and taxable government securities

(b) **Interpret** business, business income, capital gain, and financial asset income.

CLO-1, L-2 [3+4=7]

2. Mr. Anwar purchased an old house in Dhaka in November 2020 for Tk. 16, 12,000. He paid 2% as brokerage and subsequently spent Tk. 560,000 for the renovation of the house. On 1st July, 2023 he entered into an agreement to sell the property to Mr. Rahman for a consideration of Tk. 54,00,000 and received earnest money (advance) of Tk. 155,000. As per the terms of the agreement, the balance payment should be made within 90 days of the agreement and if not, the earnest money will be forfeited. As Mr. Rahman could not make the payment within the stipulated time, the amount of Tk. 1,55,000 was forfeited by Mr. Anwar. Subsequently on 10th June, 2024 Mr. Anwar sold the house to Mr. Akbar for Tk. 56,12,000. He paid 1.5% brokerage on the sale value of the house on which tax has been deducted at source. He had taxable income from other sources is Tk. 2,25,000. The fair market value of the house on the date of sale was Tk. 54, 14,000. Use the above information to calculate taxable capital gains for the current income year.

CLO-2, L-3 [8]

3. Use the given information in calculating the income chargeable under the head "Income from Financial Assets" for Mr. Amin for the current income year: 10% tax-exempt government securities (TEGS) valued Tk. 60,000; interest received on taxable government securities (TGS) Tk.4,750; Tk.18,050 as interest on debentures and income from zero coupon bond Tk. 15,000. The bank has charged Tk.100 for collecting interest on TEGS, 5% commission for TGS and debentures and Tk. 150 for zero coupon bond. In addition, debentures were purchased by taking a 6% bank loan of Tk. 1,00,000. During the year he received Tk. 1000 dividend for investment in Dhaka Bank's shares and Tk. 1,850 interest from the savings account of Janata Bank PLC. Moreover, he sold shares of Sonali Bank PLC for Tk. 20,000 which he purchased for Tk. 15,000.

CLO-2, L-3 [8]

4. **Examine** the given information to calculate taxable income for Mr. Imran considering his income for the current year includes royalty income of a book Tk. 2,600; income from part-time job Tk. 11,000; prize of winning crosswords Tk. 1,700; income from letting out household machineries Tk. 1,200; royalty income from a company Tk. 3,800; sale of forest timber Tk. 1,500; rent of a shop owned by him Tk. 4,000; gain from loan amortization Tk. 10,000; income from a newspaper column writing Tk. 6,000; and income from unused leased land Tk. 3,000. During the

year he spent Tk. 2,50,000 on a party at Hotel Sheraton, the source of this expenditure remained unexplained to DCT. He has also visited India incurring total cost of Tk. 1,10,000 and purchased a diamond set of Tk. 1,80,000 for his wife for which the source of the money was unexplained. He has paid Tk. 150 commission for collecting the royalty. CLO-3, L-4 [8]

5. Below is the Trading and Profit & Loss account of Mr. Hasan and Associates for the current year ended December 31. **Examine** the given information to compute the income from business and total taxable income of Mr. Hasan and Associates for the year.

Trading and Profit & Loss Account

Debit	Amount(Tk.)	Credit	Amount(Tk.)
Opening stock	115,000	Sales	15,00,000
Purchase	600,000	Closing stock	200,000
Wages	56,000		
Depreciation on machinery	13,000		
Power and fuel	11,000		
Gross profit (CD)	905,000		
	<u>17,00,000</u>		<u>17,00,000</u>
Salaries	75,000	Gross profit (Brought Down)	905,000
Rent, rates and taxes	22,000	Bad debt recovered	27,000
Annual membership fees	50,000	Interest and discount received	25,000
Legal expenses	12,000	Interest on debenture	82,000
Underwriting commission	36,000	Dividend on share	58,000
Purchase of trademarks	120,000	Commission	30,000
Bad debts	24,000		
Accounting fees	42,000		
Depreciation-office building	39,000		
Fines and penalties	12,000		
Donation to flood relief fund	60,000		
Gratuity to employees	80,000		
Advance income tax	28,000		
Loss of sale on office furniture	12,000		
Dowry paid to daughter	50,000		
Miscellaneous expense	40,000		
Net profit	425,000		
	<u>11,27,000</u>		<u>11,27,000</u>

Other information: (a)Tk. 27,000 of the salaries paid to the owner; (b)Recovered amount of bad debt was previously allowed as bad debt expense; (c) Legal expense is incurred for filing and continuing a case against competitor for protecting the interest of business; (d) Fines and penalties were for avoidance of tax payment at an earlier period; (e) Payment to purchase the trademark was given in cash; (f) Miscellaneous expense includes Tk 23,500 paid to a commission agent of the business who doesn't own a 12 digit TIN; (g) Tax depreciation was calculated as: depreciation on machinery Tk. 24,500 and depreciation on office building Tk 32,500. CLO-3, L-4 [9]