Second Year B.B.M Degree Examinations

October / November 2014
(Directorate of Distance Education)
COMMERCE

DBB 240: TAXATION

Time: 3hrs.] [Max. Marks: 70/80

Instructions to candidates: «zÁiyðUkUt "ÆZÆÚKÄ:

1. Students who have attended 30 Marks Internal Assessment scheme will have to answer for total of 70 Marks.
30 CAPIUM DAVI PI ¥IZIWAIII AIII ° È SGII AI «ZÁIYÕUMI 70 CAPIUM ¥IEIUMUÉ
GVI , I ÎPI.

2. Students who have attended 20 Marks Internal Assessment scheme will have to answer for total of 80 Marks.
20 CAPÜNA DAVÎ PÎ ¥ÎZÎWAÎÎ AÎÎ ° Ê ŞGÎÎ ÎÎ «ZÂÎY ÕUNĂÎ 80 CAPÛNÂÎ ¥ÎZÎWÎ ÛÊ GVÎ ÎÎ ÎPÎ.

SECTION - A

Answer any TWO of the following questions. 5 marks each:

 $2 \times 5 = 10 \text{ Marks}$

- 1. What are Capital Assets U/s 2(14) and what are the types of Capital Assets?
- 2. Mr. Nischal born & brought up in India, went for further studies to U.K. on 1.3.2011 came back to India on 1.10.2012 early in the morning. Determine his Residential status for the A.Y. 2013 14?
- 3. Mr. Ravi is getting a monthly salary of `25,000, D.A. `6,000 P.M. fixed percentage of commission `40,000 Bonus `10,000, House Rent Allowance `5,000 P.M. He is paying a rent of `6,000 P.M. at Bangalore. Compute taxable H.R.A.
- **4.** From the following particulars of Mr. Vivek. Compute the taxable value of accommodation at concessional rent.
 - Mr. Vivek, manager in a cement company working at Delhi (population exceeds twenty five lakhs as per 2011 censes) provided with a furnished house for which the company pays ` 6,000 P.M. But deducts ` 1,000 P.M. from his salary. The furniture provided to him costs ` 1,00,000.

Other particulars are as follows:

- i) Basic salary \ 20,000 P.M
- ii) Dearness pay 50% of Basic Salary.
- iii) City compensatory allowance 10% of Basic
- iv) Commission 25,000

SECTION - B

Answer any THREE questions. TEN marks each:

 $3 \times 10 = 30 \text{ Marks}$

- **5.** Explain the types of Assessment.
- **6.** Explain the Income Tax provision relating to different kinds of securities.
- 7. Following are the particulars of Mr. Jagmohan for the previous year 2012 13.
 - a) Profit on sale of property at Mysore (one half received in Sydney) ` 1,00,000.
 - b) Interest on U.K. Development Bonds `4,00,000
 - c) Profit on sale of Plant at Bangkok (One half is received in India) > 5,00,000.
 - d) Profit from business in Pakistan controlled from India (40% profit received in India) ` 12,00,000.
 - e) Dividend from domestic company \(^1\),4,00,000
 - f) Profit earned from Business in Paris which was controlled from India 2,00,000.
 - g) Interest on Post office S/B A/c \ 2,000.
 - h) Past untaxed foreign income brought to India during previous year `2,00,000.
 - i) Salary & Allowance from U.N.O ` 3,00,000.
 - j) Share of Income from H.U.F. ` 50,000.
- **8.** Mr. Narendra practicing Chartered Accountant gives you the receipts & Payments of his profession for the year ended 31.03.2014.

Receipts	Amount	Payments	Amount
Consultation fees	1,20,000	Office Expenses	75,000
Audit fees	1,50,000	Office Rent	36,000
Payments form clients	2,60,000	Salaries	60,000
Int. from Govt. securities	80,000	Printing & Stationery	6,000
Miscellaneous (Professional)	40,000	Books (Annual publications)	5,000
		Sub to C.A. Institute	12,000
		Travelling expenses	10,000
		Interest on Bank loan	8,000
		Donation to National	
		Defence Fund	20,000

Bank loan was taken for construction of his Residential House. He is running his profession in his own Building. 20% of travelling expenses are not allowed.

Compute his income from profession for the A.Y. 2013 – 2014.

- **9.** Mr. Ajay sold some of his property during 1-4-2012 to 31-03-2013 as under & calculate total capital gain.
 - a) Jewellary costing ` 1,60,000 was sold for ` 3,00,000=00 in May 2012 (Purchased in June 2010).
 - b) House hold furniture costing ` 14,000 in 1999 was sold in march 2013 for ` 26,000.

Contd......3

c) Car was sold on 1-12-2012 for `45,000, its W.D.V on 1-4-2012 was `38,000.

d) Machinery was sold on 1-10-2012 for ` 60,000, its W.D.V on 1-4-2012 was 50000.

PART - C

Answer any TWO questions. FIFTEEN marks each:

 $2 \times 15 = 30 \text{ Marks}$

- **10.** What do you mean by Agricultural Income? Give the Income Tax provisions related to agricultural Income.
- 11. Mr. Prasanna is employed in a Cotton Textile Mill at Mumbai. He submits you the following particulars of his Income for the P.Y. 2012 13.
 - a) Basic Salary 20,000 P.M.
 - b) D.A at `6,000 P.M.
 - c) Bonus equal to 2 months salary.
 - d) Entertainment allowances @ 2,000 P.M.
 - e) He is provided L.T.C of `35,000 for going to Simla.
 - f) House Rent allowance @ 5,000 P.M
 - g) He & his employer contributed each 13% of his salary towards R.P.F
 - h) Interest credited to R.P.F amounted to `2,000 on the balance of `20,000.
 - i) The employer gave him cotton worth \`2,000.
 - j) He is provided with the services of a watchmen & a cook by the company who were paid `800 P.M & `600 P.M. respectively.
 - k) Medical treatment expenses on his father reimbursed by the company amounted to `22,000.
 - 1) Gas, Electricity and Water Bill paid by the employer ` 3,000.
 - m) He paid ` 2,400 employment tax during the year. Compute his taxable salary for the A.Y. 2013 – 14.
- **12.** The following is the P & L account of Mr. Pavan during the previous year 2012 13. Compute his Income from Business for the A.Y. 2013 14.

To	Salaries	60,000	By	Gross profit	2,00,000
,,	Trade expenses	20,000	,,	Income from agency Business	25,000
,,	Rent	30,000	,,	Bad debt recovered	2 000
		·		(Previously allowed)	3,000
,,	Interest on loan	15,000	,,	Rent from House property	42,000
,,	House hold expenses	25,000	,,	Dividend from Indian Co.,	5,000
,,	Advertisement	10,000	,,	Lottery prize (Gross)	10,000
,,	Interest on Capital	8,000	,,	Profit on sale of Security (Short term)	15,000
,,	Sales Tax paid	15,000			
,,	Income Tax paid	12,000			
,,	Audit fees	5,000			
,,	L.I.C premium	10,000			

"	Donation to		
	Kuvempu University	15,000	
,,	Depreciation	4,000	
,,	Municipal Tax	3,000	
,,	Net profit	68,000	
		3,00,000	3,00,000

Additional information:

- a. Bank loan was taken to construct let out house & Municipal tax paid relate to this house property.
- b. Actual Bad debts allowed amount to `5,000.
- c. Rent include ` 10,000 being rent for a godown owned by assessee.
- 13. Mr. Vinay earned the following Income during the financial year 2012 13.

a)	Director's fees	8,000
,	Income from Agricultural land in Nepal	6,000
c)	Ground rent	12,000
d)	Interest on post office S/B A/c.	500
e)	Dividend from foreign company	1,000
f)	Winning from Horse Race	4,500
g)	Interest on security	4,000
h)	Winning from lottery (Net)	70,000
i)	Dividends from a Domestic Co.,	8,000
j)	Rental Income from machinery & building	60,000
k)	Spent `1,500 on repairs of machinery & building during the year	

1) He received dividend of `5,000 from Co. Operative society

Compute his Income from other sources for the A.Y. 2013 – 14.

SECTION - D

Note: Compulsory question for 80 marks scheme only

Answer any ONE of the following questions, TEN marks each. $1 \times 10 = 10$ Marks

- **14.** Explain the Income Tax Authorities, their powers and duties.
- **15.** Explain the provisions regarding set off and carry forward of losses.

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P**EÀ**QÀ D^a ÌwÛ

« "ÁUÀ - J

I. AillÁ a ÁZÁZÍÐÁE JGÍÐÁ ¥ÍÐÚLÚLÚE GVÍÐ 1 j. VÁTÁ 5 CAPÚLÁÁ:

 $2 \times 5 = 10 \text{ Marks}$

- 1. ŞAQPÁYAD DO JAZBAEA? ŞAQPÁYADO ALA SULJAEAB «°) 1.
- 2. "ÁgNZP A ÍBÁ ° NO "MÉZA ZÃ. ¤±NT GENNA A Á NUPÁV 1.03.2011 gNAZĂ A ÍNÄ.PÉUÉ ° NEÃZPEÄ. 1.10.2012 gN "MVEN eÁ A "ÁGNPĚ SAZEN. ° ÁUÁZÐÉ PÐP LIÐ 2013 -14PĚ Cª ÞJN ¤ Á À ÁLÉPEN PAQÄ»r¬Äj.
- 3. ²Ã glk wAUlkUÉ` 25,000 ªÁviEl vĂnŰ l/É ` 6,000 wAUlkUÉ ¤¢ðµÐ±ÁPIQIÞÁgÅ PlkÄĵIÈÏ
 ` 40,000, "ÆÄEl ` ` 10,000, ªÄEÉ "ÁrUÉ "l/É ` 5,000 wAUlkUÉ wAUlkUÉ ªÄEÉ "ÁrUÁIÄEÄB
 ` 6,000 ¤ÄQÄWÜzÜĞÄ "ÄULKÆGÄER è ªÄEÉ "ÁrUÉ "l/ÉAIÄEÄB PlAQÄ »r¬Äj .
- 4. zPPAiİ蹪ÑAmï PA¥PAiÄ ªPĄÁI¥PŊÁV "ѪɸPèÄWĠŊĂªÀ«Ä. «ªÑPïgPŊAjAiÌÁ¬ÄW "ÁrUɪÄEÁiÄ ¸Ë®"ðzÀªÀË®PÈÄB PAQÄ»r¬Äj. (2011g d£NÀtw ¥PÁGÀ d£ÌASÍ 25 ®PPÆI eÁ¹ÛEZ) «ªŊNÀÄ F PÝAVÈAWªÉ

- i) «Ä. « a ÃPÌgÌPÌgÀ a ÄÆ $^{\otimes}$ a ÃVÌEÀ $^{\dot{a}}$ ¥Ìb wAUÌgUÉ $^{\dot{a}}$ 20,000
- ii) vằng ấviệ là a lư (B) a ấviệ là ±ấp lợ à 50 giu li
- iii) £NJgÀ ¥Jj °ÁgÀ "Iví ª ÄÆ®ª ÃvÆJzÀ ±ÃPJqÀ 10gJuÄÖ
- iv) zh Á½ 25,000

«"ÁUÀ - ©

II. AillÁª ÁZÁZÍÐÁE ª ÁÆGÁ ¥ÍÐÚÐÚÚÉ GVÍJ ¹ j. VÁTÁ 10 CAPÚJÁÁ:

 $3 \times 10 = 30 \text{ Marks}$

- 5. ««zì Phoà ¤záðqlu UN4EAB «a) 1?
- 6. ««zà ŞUAiÀ ° ÆrPÉ ¥WWWLÉ, ÀAŞAÇII zà VÍJ UÉ PÁEƤEÀ «a BUNAEÀB «a) 1.
- 7. UNP JUD 2012-13PĚ JASAÇII ZÄVÉZà dUP ÆÃ° ÈT Eª IDA «ª IDUNA F PRAVEÄWZÉ
 - a) all Mej Eligia à D'Dalia SAZÀ Á L (Czlòzipie Ab Trail à è lap) it ávzb 1,00,000.
 - b) AilÄ.PÉ q a l a Yi a Ámï "ÁAqï a LŰ £ a Sr a ` 4,00,000
 - c) "ÁðaPÁPï£Írè AiÑAvíteª NÁgÁI ª NÁr Ulk2¹zÀ ¯Á"N (½ "ÁgIVÍtzÌrè ¹ÃP)] ¸ÍrÁVzÍ) `5.00.000.

- e) qíÆali¹Þï ÞíA¥í¤¬ÄAzia^á~áA±ia 4,00,000
- f) "ÁgÌVÌCAZÀ ¤AiÄAVÌCUÉE¼ÄÄ ÄÖ¥Áij ø "EP"ġÄä À ª Áä¥ÁgÌCAZÀ U½½½ ZÀ "Á"À` 2,00,000.
- g) CAZÍ PIDÃj G½ VÁA iẢ SÁ VÁ iẢ ª Åð £À § rØ` 2,000.
- h) VÍ ULÍÆVAÞÍQÍZÁ »A¢EÁ ª ĮLÍÐUMÁP È UM21ZÁ «ZÁ2 DZÁAIĪ IEÄB UMP ĮLIÐZÍP È "ÁGMPÉ VÍQF ÁVZÉ" 2,00,000.
- i) $\ll \pm \mathring{a}$, \mathring{A} , $\mathring{A$
- j) »AZÄ C«"PPPÄI ÄAŞ DZÁAIÄZPEA¥Á®Ä ` 50,000.

1 APAWUMA	`	¥A ^a Av UM4A	`
¸Æ°A ±A®I	1,20,000	PIDAj ^a ZWMA	75,000
⁻ PA¥Aj±KEAZAEA ¦AN¸ï	1,50,000	P loA j ∵ArU	36,000
PDEAGII AZII ŞAZIZIN	2,60,000	^a Av E	60,000
¸PAðj ¸A®¥NÐMAŞr	80,000	a AAZAE a AVAU JA A AAV	6,000
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	,	¹.J. ¸A¸WEZATN	12,000
		¥AAiAAt ^a Z	10,000
		∵AåAPï¸A®ZA§r!	8,000
		gA¶≬AiA gPALA ¤¢iU	20,000

"ÁðAPI" jÁ®ªÆÅB VÞÁÄ ªÁJÆA ªÄÆÉ PÌÐÄ VÚÆÇÄVÁÐÉ EªÐÄ VÞÁÄ JÁVA PÌÖÞÆÞÈ ªÆMÁÄÄÆÄB ÆÐÇÉÄWÆÁÝE ±Ã. 209ÀJÄÜ¥ÆÄÄÁtªÆÄWQÁJÍJtZÉ

 $2013-14 \pounds \tilde{\textbf{A}} \text{ V/j} \text{ U} \tilde{\textbf{E}} \text{ } \text{ } \tilde{\textbf{A}} \text{ } \text{L} \tilde{\textbf{D}} \text{ZP} \text{ } \tilde{\textbf{e}} \text{ } \text{E} \text{ } \text{L} \text{B} \text{A} \text{ } \text{A} \text{ } \text{L} \tilde{\textbf{A}} \text{ } \text{L}} \tilde{\textbf{A}} \text{ } \text{L} \text{ } \text{L} \tilde{\textbf{A}} \text{ } \text{L}} \text{ } \text{L} \tilde{\textbf{A}} \text{ } \text{L}} \text{ } \text{L} \tilde{\textbf{A}} \text{ } \text{L}} \text{ } \text{L} \tilde{\textbf{A}} \text{ } \text{L}$

- 9. ²ÁA I NÁVÀ CO A I À I GÀ BÀ F PHÀVEÀ D'UNAEÀB 1-4-2012 j AZÀ 31-03-2013 gP ÌgÚÉ ª ÀÁGÁI ª ÀÁT GÀVÁÐÉ
 - a) $^{\circ}$ 1,60,000 "ÉÉ D" by At UNAEAR "AÃ 2012 giữe "NÁj zhý $^{\circ}$ 3,00,000=00 (dæ£ï 2009giữe Rịâ 1 zhý.
 - b) a Á ÞÁ a ÁEÉ S¼ÞÁIÁ ¦ÃOÆÁ¥ÞÞÞÍT ` 14,000UÁÁ 1999 gÞè Rjâ¹ZÁÝ a ÁÁZIÐ 2013gÁZÁ ` 26,000 UÁZÚÉ a ÁÁGÁÍ a ÁÁGÁÍ ÁVZÉ
 - c) 1-12-2012 glàză Págităs a hágál a hárzh "ÉÉ` 45,000, Dzigà jit Phá £làvigizh a hÉ® à 1-4-2012 glàză ` 38,000.
 - d) 1-10-2012 glàză AiĂAVĐIA alágál alárză "ÉÉ ` 60,000, Dzigà ¸i Phr £làvigiză alë®å 1-4-2012 glàză ` 50,000.

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III. AINÁ A NZÁZÍGNE JGÍGN ¥NEÐUNU É GVÐ 1. VÁ Á 15 CAPÚNAN.

 $2 \times 15 = 30 \text{ Marks}$

- 10. PPJ DZÁAIŇ JAZÌQÄEŇ? PPJ DZÁAIŇPĚ NASAZÌMN ÜDZÁAIŇ VÍJUÉ ¤AIŇªŇUMÆŇB SQÉÄJ.
- 11. 2à ¥ŘETGPÐÁ ªÄÁAS¬ÄAIÄ dª½ PÁSÁÐEÁIİÈEEPÐEÁVZÄÝUNPÞIÐ 2012-13PÉCªEÁ DZÁAIÄZÀ«ªÐJUMEÄB F PKAUÉ ¤ĀrgÄVÁŒÉ
 - a) a ÅÆ ${}^{\otimes}$ a Å ${}^{\vee}$ ÅÅ ${}^{\circ}$ 20.000 ¥ Å ${}^{\vee}$ wAU ${}^{\wedge}$ 2UÉ
 - b) vàn0 ivá `6,000 ¥ hv w A U h 2 U É
 - c) "ÆÃ£ÀÏ 2 WAUÀAÀ ÀA޼À
 - d) a NE BACHÁ "NA @ 2,000 ¥ PW WAUPZUÉ
 - e) ^{1a} NÁPĚ ° ÆÃUPÄ ¤ÃrzÀ J ¯ ï.n.¹ ` 35,000
 - f) a NEÉ "Ár UÉ "NÉ ` 5,000 ¥ No WAUNZUÉ
 - g) Calella livila lá a látha a
 - h) `20,000 2®Ä °ÆA¢zÀ "kwà ¤¢AiÄ alã-É ¤ãrzà Şrû` 2,000
 - i) Calèlalá° APIDA CalaUÉ ¤Arzlo NVAIA alë®å` 2,000
 - j) PANYAAAA Cª AUE PAª APÄUÁGA º ÁUÆ DQĂUAAA ÆÆAB ¤ÃrzĂÝ Cª J UÉ PARĂª ÁV `800

¥ÀW WAUÀAÄ °ÁUÀE ` 600 ¥ÀW WAUÀAÄ ¤ÃrgÄVÆÉ

- k) PÄYRAIÄÄ ¤ÃrzÀ Cª EÀ VÄZÁIÄ ª EZDÃAIÄ RZÄÖ `22,000
- 1) a NÁ° ÃPÌĐN PÌĐỀÀ UÁả, T, PÌĐÁMT a NVÀÛ ¤Ãj £À ©®Äè` 3,000
- m) Calell Pház Gzlélául víju í 2,400

POP LUID 2013 - 14 PĚ Cª LEÀ VÍ ULUÉE MARIQĂª À LÀS MELÀ DZÁA IĪ LÄB PÁQÄ» r ¬Äj.

IV.

12. 2ÃA IÃAVÀ ¥PEÏGP BY APÁGPĚ ASAÇÜZÀ Á LELUD SÁVÁ IÃ UVP LUD 2012 — 13 PĚ F PRAUÉ PÆGT ÁVZÉ DZBA PÁA IÁCAZA Cª BY ABA DZÁA IÁª EAB PÁGB» r ¬Äj.

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"	4,000	
" aMa¤1¥A°nAiA √jjU	3,000	
" ¤a M 4A - A	68,000	

°ÉÆÀªÀÁ»W:-

- a) "ÁðAPï "Á® "ÁrUɪÄEÉPÌ ÞÄ ¥ÌqÉÞZÄÝ, ªÄĤ¹¥Á°nAiÄ výj UÉF ªÄEÚÉ "ÍAŞA¢iðgÄvÞZÉ
- b) Plylqli _la® Plrvluƽ_l®li ×zliðj ¹zlí\ $\hat{}$ 5,000

3,00,000

- c) ¥PPEïgPPgà Avà UÆÃqË£ï "ÁrUÉ` 10,000 MI ÄÖ "ÁrUÆIŰ è Ãj ZÉ
- 13. ZÃA IÄÄVÀ «EA IÄIGP BÄ UNP LIB 2012 13 gP è F PLAVEÀ BAP ILÄE PEÄB ° FEA ¢ GÄVÁÐÉ

a)	¤zíðã±Pjgà¦ű	8,000
b)	EÁ¥Á-ïZÞġďað: ƫĬÄAZð SAZðaÞð, ÁAÍð aþjæðáEð	6,000
c)	£® "ÁrUÉ	12,000
d)	CAZÉ PIDÁJ AIÁ G½ VÁAIÁ SÁ VÁAIÁ° ÉA STØ	500
e)	«ZÁ² PÁ¥À¤¬ÄAZÀ ŞAZÀ ¯Á¨ÁA±À	1,000
f)	PÄZÄgÉgĸï£ŘèU½¹ZÄÝ	4,500
g)	¨ÞeðvÁ ¥ÌvÐlÁAªÍð£ÁSrØ	4,000
h)	⁻ Álj¬ÄAzÀUk⁄¹zÄÝ(¤ªkA)	70,000
i)	¸ÌZÁ² PIA¥I¤¬ÄAZÌ SAZÌ ¯Á¨ÁA±Ì	8,000
j)	A i ĂA VÆÃ¥ PhyÁt ª Ă VĂÛ PÀ ÖÇÎC AZÂ ŞAZÂ "Á r UÉ	60,000
k)	AiÅAvÆÄ¥Pbat ªÄvÄÜPÄ ÖqEAzÄgÄÜÁV RZÄÕ ªÄÁrzÄ	1,500
1)	¸PPÁj ¸ÀWÀCAZÀ ŞAZÀ ¯Á¨ÁA±À	5,000
	vý UÉ a Juio 2013 – 14 PĚ E v lyť a lyh Ná£le N CrAil ° è Sgla.	ÀMIÄÖ ^a İgAP A Á£AP JE ÄB
PÀ	igÅ»r¬Äj.	-

«"ÁUÀ- r

JAEZIELUNAI: 80 CAPIUNAI ¥IEB ¥INDEUE EGNª À PIQÁGAIN ¥IEBUNAN

V. AiMÁª ÁZÁZÍGNE MAZN ¥NEÚLÉ GVN 1. VÁ Á 10 CAPÚLAN.

 $1 \times 10 = 10 \text{ Marks}$

3,00,000

- 14. DZÁAIÄ VÍ UÉ ¥Á¢PÁGÞÁ C¢PÁGÁ ªÄVÄÚ PIVÍЪ LÚMÆÄB «ª) 1.
- 15. EQUIPEAS] ZAEV JA A AVAN EQUIPEAS A MAZAAJ JA A AAAA AUMEAS «A) 1.
