

**(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2021 ONLY)**

**21UCC515**

**REG.NO. :**

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**

**END-OF-SEMESTER EXAMINATIONS : NOVEMBER-2023**

**COURSE NAME: B.Com.- CA**

**MAXIMUM MARKS: 70**

**SEMESTER: V**

**TIME : 3 HOURS**

**PART - III**

**INCOME TAX**

**SECTION - A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**MULTIPLE CHOICE QUESTIONS.**

**(K1)**

1. When was income tax act came into force on -----?  
a) 1<sup>st</sup> April 1935    b) 1<sup>st</sup> April 1961    c) 1<sup>st</sup> April 1962    d) 1<sup>st</sup> April 1956
2. Select the educational allowance is exempted for \_\_\_\_\_.  
a) One child    b) Two children    c) Three children    d) Four children
3. Choose the capital gain is classified into ----- types.  
a) Two    b) Three    c) Four    d) Five
4. Recall the expense exceeding ----- paid in cash are disallowed to the extent of 100%.  
a) Rs.10,000    b) Rs.20,000    c) Rs.30,000    d) Rs. 40,000
5. Match the loss incurred in speculation business can be carry forward for  
a) 4 years    b) Unlimited period    c) 5 years    d) 8 years

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.**

**(K2)**

6. Define Assessment year.
7. Illustrate the allowance.
8. Explain the capital gain.
9. Define profession.
10. Expand GTI.

**SECTION – B**

**(5 X 4 = 20 MARKS)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Mr. Abdul Ragman, an Indian citizen serving in Australia since 1994, had come to India on 20.6.2016. He stayed here at a stretch for three years and left for USA on 1.7.2019. He came back to India on 1.4.2020 and stayed in India till 31.7.2021 when he returned to Australia. He again came to India on 31.12.2022. Calculate his residential status for the Assessment year 2023-24.

**(CONTD.....2)**

**(OR)**

b) Following are the incomes Mr. Ajay for the previous year. Assess his taxable income on the assumption that he is a) Ordinary resident b) Not Ordinary resident c) Non – resident.

- Profit from business carried from Hyderabad Rs.50,000
- Income accrued in India but received in Hongkong Rs. 75,000
- Past untaxed income brought into India during this previous year Rs. 42,000
- Income from house property situated in Srilanka Rs.48,000
- Income from agriculture in USA Rs. 1,00,000

12.a) Mr. Vijay is an employee of a private company in Chennai. He supplies you the following particulars of his income:

- Basic salary Rs. 25,000 p.m.
- D.A 50% of salary (enters into service benefits)
- Marriage allowance Rs. 1,000 p.m.
- Education allowance Rs.100 p.m. per child for three children.
- Bonus Rs. 30,000
- Entertainment allowance Rs. 14,400 p.a.
- Employers' and his contribution to RPF 16% of salary.

Find his taxable salary income for the Assessment year 2023-24.

**(OR)**

b) Mr. Rathnam is working in Sun network Ltd. Chennai. He is paid the following emoluments every month. Compute his gross salary.

- Basic pay – 6000 p.m, Bonus- 30000 p.a,
- Dearness allowance (50% enters into retirement benefits) – 4000 p.m,
- Education allowance for his children – 1000 p.m,
- Hostel allowance (none of his children is sent to hostel) – 800 p.m,
- C.C.A – 2500 p.m,
- Entertainment allowance – 1000 p.m,
- Transport allowance – 1000 p.m,
- House rent allowance (Actual rent he pays is 6000 p.m) – 5000 p.m

13.a) Mr. Kamal furnishes the following particulars regarding his house property.

MRV Rs. 1,40,000

FRV Rs. 1,70,000

SR Rs. 1,60,000

Actual rent received Rs.15,000 p.m.

Municipal tax paid Rs. 15,000

Interest on borrowed loan Rs. 35,000

Calculate his income from house property for the A.Y. 2023-2024.

13.b) Apply the capital gain from the following particulars given by Mr. Elangovan for the previous year, If CII for 2022-23: 331, 2010-11 :167, 2001-02 :100.

Cost of residential house	Rs. 5,40,000
FMV as on 1.4.2001	Rs. 5,40,000
Date of purchase	1.10.1999
Date of sale	1.10.2022
Sale value	Rs. 30,00,000
Cost of improvement	Rs. 90,000
Date of improvement	1.10.2010
Stamp duty and legal charges	Rs. 50,000

14.a) From the following P & L account of Aravind, Show the taxable income from business for the P.Y 2022-23.

Particulars	Rs.	Particulars	Rs.
To Salary	48,000	By Gross profit	75,000
To Donation	6,000	By Income from HP	15,000
To Electricity	5,000	By Dividend from investment	5,000
To Provision for bad debts	3,000		
To Net profit	33,000		
	<b>95,000</b>		<b>95,000</b>

(OR)

b) Following is the income and expenditure account of Ramana & Company chartered accountants. Compute the income from profession from the details given.

**Profit and Loss Account**

Expenditure	Rs.	Income	Rs.
Charity and donation	1,00,000	Audit fees	3,00,000
Subscription to journals	2,000	Examination fee	25,000
Institute fee	4,000	Fee for other accounts work	40,000
Office rent	5,000	Dividends from UTI	35,000
Drawings	50,000		
Electricity bill	9,000		
Salary to trainee	20,000		
Net income	2,10,000		
	<b>4,00,000</b>		<b>4,00,000</b>

Rs. 5,000 can be claimed as depreciation for office assets as per income tax provision

15.a) From the following information assess the income from other sources:

- (i) Royalties from books Rs.20,000
- (ii) Directors fees 5,000
- (iii) Interim dividend from X Ltd. Madurai Rs. 15,000.
- (iv) Dividend from co-operative society Rs. 25,000
- (v) Income undisclosed sources Rs. 18,000
- (vi) Income from letting of P&M along with Building Rs. 22,500
- (vii) Winning from lotteries Rs. 35,000

**(OR)**

b) Describe the deduction under section 80C to 80U of income tax act 1961.

**SECTION - C**

**(4 X 10 = 40 MARKS)**

**ANSWER ANY FOUR OUT OF SIX QUESTIONS**

**(16<sup>th</sup> QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS  
(FROM Qn. No : 17 to 21) (K4 (Or) K5)**

16. From the following prepare income from salary of Mr. Krishna who is working in SCP international (P) Ltd., Chennai.

- (i) Basic salary Rs.50,000 p.m
- (ii) DA Rs. 30,000 p.m (enter)
- (iii) Bonus Rs. 1,00,000
- (iv) CCA Rs. 1,500 p.m
- (v) EA Rs.6,000 p.m
- (vi) Educational allowance Rs. 8,000 p.m (for his two children)
- (vii) Hostel allowance Rs. 10,000 p.m (for his two children)
- (viii) Academic research allowance Rs. 25,000 (Actual amount spent Rs.50,000)
- (ix) HRA Rs. 20,000 p.m (rent paid Rs.12,000 p.m)
- (x) Conveyance allowance for official purposes Rs. 3,000 p.m
- (xi) Tribal area allowance Rs. 450 p.m
- (xii) Washing allowance Rs. 1,175 (Actual amount spent Rs.795)

17. The Following are the particulars of income of Mr. Sharan (an employee of an Individual) for the previous year ended on 31<sup>st</sup> March 2023.

- i. Salary Rs.60,000 p.m.
- ii. Bonus equal to two months pay
- iii. Special Allowance – Rs.1,000 p.m
- iv. Employee's contribution to a recognized provident fund @ 15% of salary
- v. Interest credited to the provident fund @ 9.5% p.a. is Rs.4,800
- vi. He is provided with free lunch in office. The cost per meals Rs.300
- vii. The employer has given him the use of small car which he uses for personal and official purpose.

Conclude the income of Mr. Sharan from salaries for the A.Y. 2023-2024.

**( CONTD.....5 )**

18. Mr. Sureshkumar sold the following assets during the P.Y 2022-23. The following are the details regarding those assets.

Assets	Land	P & M
Date of acquisition	3.9.2000	10.1.2015
Cost of acquisition	60,000	12,00,000
Sale consideration	14,00,000	7,00,000
Expenses on transfer	20,000	-
WDV of P&M on 1.4.2022	--	5,00,000
FMV as on 1.4.2001	3,00,000	-

On 18<sup>th</sup> march 2023, he purchased a residential house property for Rs. 7,00,000. Determine his income from capital gain for the P.Y 2022-23.

[CII: 2001-02 : 100, 2022-23: 331]

19. From the following profit and loss of a manufacturer, analyze the income under the head of profit and gains of business or profession for the year ending 31<sup>st</sup> march 2021.

Particulars	Rs.	Particulars	Rs.
Salaries to employees	95,000	Gross profit	3,80,000
Advertisement expenses (paid in cash)	24,000	Interest on securities	25,000
General expenses	16,000	Bad debts recovered (allowed earlier)	12,000
Entertainment expenses	22,000		
Bad debts	1,500		
Drawings by proprietor	24,000		
Sales tax (due and paid on 1-7-2021)	6,000		
Interest on proprietors capital	7,000		
Repairs	2,500		
Rent	21,000		
Legal expenses	5,000		
Depreciation	15,000		
Bonus	6,000		
Bonus to proprietors	4,000		
Car purchased	72,000		
Expenses on car during the year	12,000		
Donation	2,000		
Provision for bad debts	6,000		
Net profit	90,000		
	<b>4,31,000</b>		<b>4,31,000</b>

From the examination of books accounts the following other information are available.

- Advertisement were spends on insertion in new paper
- Rs. 3,000 were spends on purchase of land and is included in legal expenses
- Half of the repair expenses were on let out building.
- Deprecation allowable on all assets including car is Rs. 14,400
- Bonus was paid to employees on 30-06-2021 and due date of filling of returns is 31-7-2021

20. The following are the details relating to Ms. Divya for the P.Y. 2022-23. Summarize income from other sources:

- (i) Income from agriculture in Srilanka Rs. 80,000
- (ii) Interest on post office savings bank Rs. 10,000
- (iii)Dividend from foreign company Rs. 27,000
- (iv)Dividend from Indian company Rs.25,000
- (v) Rent from sub-letting house Rs. 36,500
- (vi)Expenses for sub-letting house Rs: 4,000
- (vii) Winning from lottery (Net) Rs: 2,10,000

21. Discuss the any 10 exempted incomes under section10 of Income tax Act.

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