

(FOR THE CANDIDATES ADMITTED

22UBP408

DURING THE ACADEMIC YEAR 2022-24 ONLY) REG.NO.:

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

END-OF-SEMESTER EXAMINATIONS : MAY 2024

B.COM-BPS(SF)

MAXIMUM MARKS: 50

SEMESTER: IV

TIME : 3 HOURS

**PART – III****22UBP408 – INCOME TAX****SECTION – A****(10 X 1 = 10 MARKS)****ANSWER THE FOLLOWING QUESTIONS. (K1)**

1. In which of the following cases, income of previous year is assessable in the previous year itself \_\_\_\_\_
  - a) Assessment of persons leaving India
  - b) A person unemployment in India
  - c) A person who is into illegal business
  - d) A person who is running a charitable institution
2. Recall to whom among the following the Dearness Allowance is taxable \_\_\_\_\_
  - a) Government Employees
  - b) Private Employees
  - c) Public Sector Undertaking Employees
  - d) All Employees
3. Which of the following is not allowed as a deduction for computation of business income?
  - a) Loss incurred due to theft in factory after working hours
  - b) Anticipated Future Loss
  - c) Loss caused by white ants
  - d) Loss due to accidental fire in stock-in-trade
4. Name the value from which the unrealized rent is deducted from \_\_\_\_\_
  - a) Gross Annual Value
  - b) Net Annual Value
  - c) Income from House Property
  - d) Municipal Taxes
5. John, engaged in fertilizer trade received rent by sub-letting a building. Select from the following under which this will be taxable.
  - a) Income from house property
  - b) Income from capital gains
  - c) Income from profits & gains of business & profession
  - d) Income from other sources.

(CONT...2)

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES****(K2)**

6. Define Income Tax Act 1961
7. Indicate some of the taxable allowances under the head salary.
8. Differentiate Business and Profession
9. Define Capital Gain
10. Explain the incomes chargeable under Income from Other Sources

**SECTION – B****(5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Mr. Singh an Indian Citizen went to USA on 10th October 2014 and returned to India after two years stay there. Again on 10<sup>th</sup> Oct 2018 he went to Iran but returned on 10<sup>th</sup> May 2022. He made another attempt to go abroad and finally succeeded to go to Canada. He left Delhi for Canada on 10<sup>th</sup> Feb., 2023. Find out his residential status for assessment years 2022-2023 and 2023-2024. **(OR)**
- b) Mr.B. a married citizen of India left for Germany for the first time on 15-9-2019 on a business trip. He returned to India on 5-6-2022. During his absence from India he maintained a dwelling house for himself in Calcutta. Compute What will be his residential status for the assessment year 2023-2024.

12. a) Compute Gross Salary from information given below for a situation living in rented house at Delhi as D.A. enters into salary for service benefits and rent paid Rs.7000 p.m.

Salary Rs. 30000 p.m.

D.A. Rs.6000 p.m.

C.C.A Rs.1000 p.m.

HRA Rs.8000 p.m.

Commission on turnover achieved by him Rs.40000. **(OR)**

- b) R.K. is employed as an Engine Driver in Eastern Railway. He is getting Rs.27500 p.m. as basic pay, Rs.7500 p.m. as dearness pay and Rs.7500 p.m. as dearness allowance. During the previous year he received the following allowances also:

Rs. 16500/- as running allowance

Rs.200 p.m. per child as education allowance for the education of his two sons.

One of these sons is living in hostel on whom R.K is spending Rs.800 p.m. He is getting Rs.500 p.m. for his son as Hostel Allowance for meeting this expenditure.

Rs.750 p.m. as City Compensatory Allowance Rs.400 p.m. as Uniform Allowance: whole of it is spent for official purposes Rs.5500 p.m. HRA. R.K. has taken a house for his residence at Ranchi at Rs.7500 per month as rent. He contributes 10% of his basic pay and dearness pay to his statutory provident fund and Eastern Railway also contributes a similar amount. Calculate the Gross Salary income of R.K for the assessment year 2023-2024.

13. a) The net profit of business of Mr. Baveesh as disclosed by its P&L account was

Rs:3,25,000 after charging the following:

Municipal taxes on house property let out Rs:3,000

Baddebt written off Rs:15,000

Provision for bad and doubtful debts Rs: 16,000

Provision for taxation Rs: 15,000

Depreciation Rs: 25,000

Depreciation allowance as per rule is Rs:20,000

Compute taxable Business profit.

**(OR)**

b) From the following P&L account, Find income from business:

Profit And Loss Account

Particulars	Rs.	Particulars	Rs.
To Salaries	14,600	By G/p	1,35,000
To household expense	2000		
To income tax	900		
To Gifts	900		
To business expense	2,200		
To LIC premium	2,100		
To bad debt reserve	800		
To N/P	1,11,500		
	1,35,000		<b>1,35,000</b>

14. a) Compute Gross annual value:

Actual rent Rs: 24,000 p.a

Fair rent Rs:28,000 p.a.

Standard rent Rs: 20,000 p.a. **(OR)**

b) A is the owner of a car. On 01.04.2022, he starts a business of purchase and sale of motor cars. He treats the above car as part of the stock-in-trade of his new business. He sells the same on 31.03.2023 and gets a profit of INR 1 lakh. Interpret the tax implication in his hands under the head “Capital gains”.

15. a) Examine General Income and Specific Income.

**(OR)**

b) Discover in detail the Set Off, Carry Forward and Set off of Losses.

## SECTION – C

(5 X 5 = 25 MARKS)

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4 (Or) K5)**

16. a) Infer the tax liability in following cases for the assessment year 2023-2024.

Total income	An individual other than senior citizen Mrs A / Mr A	A senior citizen Mr B	A super senior citizen Mr C
Case I	2,44,875	2,98,600	4,60,672
Case II	5,43,649	5,43,649	5,43,649
Case III	10,17,851	10,17,851	10,17,851

**(OR)**

b) Following are the particulars of income of Mr RTM for the assessment year 2023 to 24

Income from business in Mumbai	80,000
Income from house property in Pune	20,000
Pension from former employer for service rendered in India but received in UK	24,000
Profits from business in UK but controlled from Mumbai out of this rs 20000 received in India	1,60,000
Dividend from an Indian company but received in UK	18,000
Income from agriculture in Nepal received their but later on remitted to India	60,000
Past untaxed income of 2019-2020 to 2021-2022 brought into India during 2022-2023	4,00,000
Income from house property in UK and donated that to a notified charitable institution	70,000
Interest on bonds issued by UK Government out of which 50 percentage is received in India	40,000

Determine the total income for the assessment year 2023 to 2024 if Mr RTM is

a. Resident    b. Resident But Not Ordinary Resident    c. Non Residents

17. a) J.K Jain is working at Chandigarh. For the year ending 31-3-2023 he furnished the following particulars of his income.

Pay Rs.12,500 p.m.

DA Rs.4000 p.m. (out of this Rs.2000 p.m. enter into pay for service benefits)

Advance Salary Rs.16400

Salary in lieu of leave Rs.12500

Lunch Allowance Rs.2000 p.m.

Bonus Rs.15000

Employer Contribution to R.P.F 15% (asch) of salary

Arrears of DA Rs. 4000

Conveyance Allowance received during the year Rs.24000 and he has incurred an expenditure of Rs.18000 during the year on conveyance

HRA 20% of salary. He pays rent of Rs.2,500 p.m.

Entertainment Allowance Rs.500 p.m. Point out his Gross Salary income.

**(OR)**

b) Mr.Arun an employee receives the following salary and perquisites from his employer during the previous year 2022-2023

Basic Pay Rs. 4,50,000 p.a.

Profit Bonus Rs. 17,500

Commission on sales 2% of turnover (Turnover Rs 2850000/-)

Advance Salary April 2024 Rs.37,500

Employers Contribution RPF Rs.5,500 p.m.

Interest credited in PF account 12.5% Rs.8,700

Travelling Allowance utilized fully for Official purpose Rs.400

A rent free furnished house in Mumbai (rent of unfurnished house paid by employer Rs.96,000 rent of furniture Rs.12,000)

Free services of a Gardner (Salary Rs.3,000)

Free services of Watchman (Salary Rs.4,200)

Free services of Cook (Salary Rs.3,000)

Free supply of Ration (Expenditure of the employer Rs.7,500)

He owns a house at Chennai. During the previous year he earns taxable income of Rs.15,000 from the house.

Mr. Arun holds 20% equity shares in the employer company. During the PY Arun makes the following payments and investments

- a. Own contribution towards RPF Rs.66,000
- b. Deposits in Public Provident Fund Rs.30,000

Determine his Gross Salary Income.

**(CONT...6)**

18. a) Dr. Biju is a medical practitioner in Mahe. From the following, Prepare a statement to calculate his income from profession for the AY 2023-24:

Particulars	Rs.
Gross receipt from dispensary	2,35,000
Gross receipt from consultation	1,65,000
Operation fee	2,50,000
Visiting fee	50,000
Gifts from patients	30,000
Medicines purchased	1,25,000
Closing stock of medicines	35,000
Salaries paid to employees	1,50,000
Surgical equipments purchased	48,000
Dr. Biju wanted to attend a medical seminar in Australia to update the knowledge and spent an amount of	25,000
Medical books purchased	20,000
He owns a house whose MRV is Rs:50,000. Half portion of the house is used for profession. Expenses paid on house are municipal tax=30% of MRV ; Repairs Rs:10,000 ; and renovation expenses Rs:30,000.	

(OR)

b) The following is the Receipts and Payments account of Mr. Akhilesh, a practicing Chartered Accountant for the year ended 31-03-2023:

Receipts	Rs:	Payments	Rs:
Audit fee	19,210	Office expenses	10,000
Consultation	10,000	Office rent	5,000
Tribunal appearance	15,000	Salaries and wages	12,050
Miscellaneous	20,000	Printing and Stationeries	1,000
Interest on Govt. security	10,000	subscription	3,000
Rent received	10,000	Purchase of books(annual publication)	1,300
Presents from clients	10,000	Travelling expenses	5,800
		Interest on bank loan	3,000
		Donation to National Defence Fund	5,000

Loan from bank was taken for the construction of the house in which he lives. MRV of the house is Rs: 8,000 and the local taxes Rs: 800 p.a. One-fourth of travelling expenses are not allowable. Determine the income from profession for the A Y 2023—24.

(CONT...7)

19. a) Rinju is the owner of 2 houses. From the following, Prepare a statement to find out annual value of the houses:

	<u>House-1</u>	<u>House-2</u>
Municipal value	Rs.	Rs.
	30,000	35,000
Actual rent	40,000	32,000
FRV	36,000	30,000
SRV	30,000	36,000
Municipal tax paid	4,000	3,500

(OR)

b) Mr. S Krishna received a gift of a house in November 2007 from Mr. KH who has purchased it in November 1997 for Rs. 6,30,000. Mr. KH renovated the house in March 1998 at the cost of Rs. 2,70,000. It's FMV on 1-4-2001 was Rs. 10,00,000. In 1998 to 1999 Mr. KH had agreed to sell the house and had received Rs. 1,00,000 as advance money. The scale could not materialize and advance money was forfeited. The house was further renovated in 2010 to 2011(C.I.I = 167) at a cost of Rs. 2,00,000/- Mr. Krishna sold the house in Dec 2022 for Rs. 35,60,000 and paid Rs. 6,00,00 as brokerage. Interpret his taxable capital Gain if C.I.I for 2001-2002 was 100, 2007-2008 was 129 and 2022-2023 it is 331.

20. a) Summarize Deductions under 80C and 80D.

(OR)

b) Discuss Deductions under 80GG, 80QQB, 80U.

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