

( NO. OF PAGES: 4)

(FOR THE CANDIDATES ADMITTED

SUB CODE 23UPA307

DURING THE ACADEMIC YEAR 2023 ONLY)

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI  
END-OF-SEMESTER EXAMINATIONS : NOV 2024

B.COM P.A  
SEMESTER: III

MAXIMUM MARKS: 75  
TIME : 3 HOURS

**PART-III**

**CCVI – INCOME TAX**

**SECTION –A**

**(10X1=10)**

**ANSWER THE FOLLOWING QUESTIONS.**

1. Income tax Act was passed in the year  
(a) 1961 (b) 1972 (c) 1893 (d) 2005
2. Hostel allowance is available for a maximum of ----- children.  
(a) 3 (b) 5 (c) 2 (d) 4
3. The rate of depreciation on books is  
(a)50% (b) 40 % (c) 15% (d) 20%
4. Un realized rent allowed earlier and recovered later on is  
(a) Income from HP (b) Exempted income  
(c) To be ignored (d) Income from other sources
5. Rate of T.D.S for unlisted securities, is  
(a) 10.6% (b) 15.6% (c) 10% (d) 30.6%

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

6. Who is called Non Resident?
7. Explain the term Gratuity.
8. Define the term Business.
9. Write short notes on short-term capital gains.
10. What is grossing up?

**SECTION-B**

**(5X5=25)**

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

11. (a) Mr Kumar leaves India for the first time on 10.6.18 and comes back on 1.6.20 . He again leaves on 15.7.22 to come back on 1.3.23. At present he is in India. Find out his residential status for AY 2024-2025. **(OR)**

(b) Mr. Arun is an Indian Citizen. What is his residential status for the assessment year 2024-2025. Arun's stay in India is as follows;

Previous year

Presence in India

**ETHICAL PAPER**

2023-2024 185 days

2022-2023 15 days

2021-2022 26 days

10 years prior to 2021-2022, he was in India for 20 days.

12.(a) Explain partially taxable allowances. (OR)

(b) Mr. Ragu joined in an institution on 1.1.24 at the scale of Rs. 15,000 p.m. Salary falls due on 1<sup>st</sup> day of the next month. Calculate his basic salary for the P.Y 2023-2024.

13. (a) Mr. Rajan submits the following particulars of his business from which you calculate the income from business.

Net profit as per P&L a/c (after charging the following) Rs. 1,25,000

i) Sales tax Rs. 20,000 and income tax Rs. 55,000

ii) Bad debts provision Rs. 3,000

iii) Commission to procure business order Rs.8,000

iv) Int. on capital Rs.38,000

v) Depreciation Rs.4,000( as per income tax rules Rs. 2,000only)

(OR)

(b) ) State whether the following expenses are admissible or inadmissible as loss in P&La/c.

(i) Penalty paid to Government authority.

(ii) Capital expenditure on scientific research.

(iii) Commission paid for increasing sales.

(iv) Commission paid to secure order for business.

(v) Stock was lost in fire debited to P&L a/c.

14. (a) Classify the following assets into short-term and long –term capital assets. These assets are held by Mr. Ram who sold them on 31-12-23

(i) Listed shares purchased on 1-5-2023

(ii) Debentures acquired on 1-1-2023

(iii ) Listed shares of a finance company acquired on 28-12-2022

(iv) House property acquired on 31-12-2021

(v) House property purchased on 1-1-2010.

(OR)

(b) Mr. Surya provides the following particulars for the assessment year 2024-25. Calculate gross annual value.

	Rs.
Municipal value	60,000
Fair rent	65,000
Standard rent	59,500
Actual rent	72,000
Loss due to vacancy	6,000

15. (a) Explain the provision of sec 80G.

(OR)

(b) Mr X furnished the following details:

**ETHICAL PAPER**

Salary income (computed)	Rs. 42,000
Income from house property:	
House A	38,000 (Income)
House B	17,000 (loss)
House C	21,000 (loss)
Compute his income for the Assessment year 2024-2025	

**SECTION –C**

**(5X8=40)**

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

- 16.(a) Mr. Dinesh earns the following income during the previous year.
- Dividend paid by an Indian company but received in London Rs. 10,000
  - Income from property in Srilanka received there Rs. 40,000
  - Profit earned from business in Trichy Rs.1,00,000
  - Rs.1,00,000 earned and received in Srilanka from a business controlled from India.
  - Rs. 40,000 was past untaxed foreign income which was brought to India during previous year.
- Compute the total Income of Mr. Dinesh when his residential status is (a) resident (b) non –resident (c) not ordinarily resident.

**(OR)**

- (b) Classify assessee on the basis of their residence and indicate their tax liability.

17. (a) Explain the various types of ‘Provident Funds’.

**(OR)**

- (b) Mr Saravanan, an employee of Madurai (population 15 lakhs) based company provided the following particulars of his salary income. Compute his taxable salary for the P.Y 2023-2024.

- |  |            |
|--|------------|
| (i) Basic salary   | 12,000 p.m |
| (ii) Profit bonus  | 12,000     |
| (iii) Commission on turnover achieved by Mr. Saravanan   | 42,000     |
| (iv) Entertainment allowance   | 2,000 p.m  |
| (v) Club facility  | 6,000      |
| (vi) Transport allowance   | 1,800      |
| (vii) Free use of car of more than 1600 cc.capacity for both personal and official purposes, expenses met by employer. |            |
| (viii) Rent free house provided by employer. Lease rent paid by employer 6,000 p.m                                     |            |
| (ix) Free education facility for three children of the employee; (bills issued in the name of employer) 25,000         |            |
| (x) Gas, water and electricity bills issued in the name of employee but paid by employer.                              |            |

18. (a) From the following P&L a/c of Mr. Balu , calculate his income from business for the P.Y. 2023-24.

Particulars	Rs.	Particulars	Rs.
To Rent	6,000	By Gross profit	1,20,000
To Salary	12,000	By Dividend	15,000
To Advance income tax	3,000	By Income from HP	15,000
To Donation	5,000		

To Depreciation	7,000		
To Net Profit	1,17,000		
	<u>1,50,000</u>		<u>1,50,000</u>

Additional Information:

- i) Depreciation to be allowed as per Income tax rules is Rs. 5,000
- ii) 50% of rent is in connection with the domestic purpose.

(OR)

(b) Describe some of the admissible and inadmissible deductions while computing the income from business.

19. (a) Mr. Landlord is the owner of two houses. In respect of these he has furnished the following particulars:

	House A Rs.	House B Rs.
Date of completion of construction	31-3-1996	1-7-2000
Municipal rental value	3,60,000	6,00,000
Actual rent received	3,00,000	60,000p.m
Municipal taxes paid	36,000	30,000 (due)
Ground rent	1,000	7,800
Interest on loan taken for construction	50,000	1,82,000

Compute his income from house property for the assessment year 2024-25. Out of the municipal taxes of House A Rs. 18,000 are paid by the tenant.

(OR)

(b) Distinguish between Short term Capital Gains and Long term Capital Gains.

20. (a) Mr. Basu received the following incomes during the year 2023-24. Compute Taxable income under the head 'Income from other sources', separately for each case.

	Rs
(a) winnings received from Sikkim Lottery	70,000
winnings from horse races	2,000
winnings from crossword puzzles	4,000
(b) winnings from lottery	2,000
winnings received from horse races	56,000

(OR)

(b) If the Income of the Individual is as follows:

Find the tax liability :

1. Income Rs 45,00,000
2. Income Rs. 50,00,000
3. Income Rs. 1,00,00,000
4. Income Rs 2.5 Crore
5. Income Rs. 5.5.Crore

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