

**FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2020 ONLY)**

20UBP514

REG.NO

NGM COLLEGE (AUTONOMOUS) POLLACHI

END-OF-SEMESTER EXAMINATIONS: DECEMBER-2022

B.Com-Business Process Services

MAXIMUM MARKS: 70

V SEMESTER

TIME: 3 HOURS

PART III
INCOME TAX

SECTION – A

(10 X1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS

MULTIPLE CHOICE QUESTIONS

(K1)

1. Who is Resident?
 [a] followed any one of the basic conditions [b] not followed
 [c] Additional conditions followed [d] none of this above
2. What are the exemption limits in Children Education Allowance?
 [a] Rs.100 pm [b] Rs.200pm [c] Rs.300pm [d] Rs.250pm
3. Out of the following, which expense is an inadmissible expense-----.
 [a] excise duty [b] Sales tax [c] Bad debts [d] Income tax
4. If Municipal value is Rs.48,000, Fair rent is Rs.46,800, Actual rent is Rs.49,200, and standard Rent is Rs.52,600, the gross annual value would be-----.
 [a] Rs.48,000 [b] Rs.46,800 [c] Rs.49,200 [d] Rs.52,600
5. Speculations business loss can be carried forward for a period of -----.
 [a] 10 years [b] 3 years [c] 8 years [d] 4 years.

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. Define the term assessee.
7. What is a gratuity in salary?
8. Explain the term ‘profession’.
9. Explain the term annual value.
10. Which loss cannot be set off against income? (any one)

SECTION – B (5 X 4 = 20 MARKS)**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. [a] Examine the conditions to be fulfilled by an individual to become a resident in India.

(OR)

[b] Categorize the Gross Total Income of Sankar for the Assessment year 2019-20. If he is [i] Resident, [ii] Not Ordinary Resident [iii] Non-Resident

	Rs.
Interest from an Indian company received in Germany	1,00,000
Pension from former employer in India received in U.K.	2,00,000
Profits made from a business in Hon-Kong which is controlled From India, (half of the profits being received in India.)	20,000
Income from companies in USA and received India	1,00,000
Income from Agriculture in USA and received in India	10,000
Income from employment in Japan received there	20,000
Past untaxed profits brought to India	50,000

12. [a] Calculate the amount of exempted House rent allowance (H.R.A) in the following cases Mr. B, a resident of Pune, receives Rs.5,00,000 as Basic salary, and Rs.1,20,000 as D.A and Commission on profits @5% (profit for the relevant period Rs.20,00,000), HRA-Rs.36,000 p.a. and he pay a rent of Rs.70,000 p.a.

(OR)

[b] Explain the taxation rules related to gratuity.

13. [a] Mr. U submitted the following particulars. You are requested to compute the business income.

Particulars	Rs.	Particulars	Rs.
To Salary to staff	20,000	By Gross Profit	75,000
To Advertisement	15,000	By Discount	25,000
To Payment to IIT for Scientific Research	10,000	By Dividend	5,000
To Car expenses	5,000		
To Depreciation	2,000		
To Net profit	53,000		
	<hr/>		<hr/>
	1,05,000		1,05,000

Other Information:

[i] 50% of car expenses relates to personal purpose.

[ii] Depreciation as per rule is Rs.1,500

(OR)

[b] Mr. Mahesh, furnishes the following particulars of his professional receipts and payment.

Receipts	Rs.	Payments	Rs.
Consulting fees	1,10,000	Surgical equipment	16,000
Visiting fees	48,000	Salaries	9,200
Rent from property	7,200	Personal expenses	23,600
	-----	Balance c/d	1,16,400
	1,65,200		-----
			1,65,200

Compute his professional income

(CONTD.....3)

14. [a] Compute the gross annual value in the case of following prosperities for the assessment year 2022-23.

(Figures in Rs.'000)

Particulars	X	Y	Z	A
1.Municipal value per annum	120	122	160	170
2.Fair rent	130	132	156	190
3.Standard rent	119	118	170	180
4.Annual rent	144	114	144	240
5.Property remains vacant (in number of months)	3	3	2	2
6. Loss due to vacancy	36	28.5	24	40

(OR)

[b] Write short notes on [i]Short- term capital gains [ii] Long -term capital gains

15. [a] Find out the total income of Mr.Kumar for the Assessment year 2019-20.

Rs.

Income from profession	6,80,000
Capital gains	14,000
Income from other sources:	
Winnings from a horse race	2,000
Winnings from a camel race	1,700

(OR)

[b] Mr. B.B.Arora provides you the following particulars of his income for the assessment year 2019-20.

Rs.

1. Income from House property computed	24,000
2. Long term capital gains	2,10,000
3. Winnings from lottery (net)	70,000

During the previous year, he paid Rs.4,500 as premium for the medical insurance policy of his wife. His uncle is a person with disability. Mr.Arora spent Rs.7,000 on his medical treatment during the previous year.

Construct his total income

SECTION – C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS.

(16TH QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS FROM Q.NO: 17 TO 21)

(K4) OR (K5)

16. Mr. S receives the following allowances during the P.Y.2021-22:

Rs.

i. High cost of living allowance	20,000
ii. City compensation allowance	7,500
iii. Subsidized lunch allowance	2,800
iv. Marriage allowance	1,200
v. Helper allowance (Exp-1,200)	1,280
vi. Medical allowance (Exp – 9,800)	8,200
vii. Overtime allowance	500
viii. Travelling allowance (Exp – 150)	650
ix. Children Education allowance (Exp – 15,000)	12,000
x. Education allowance to grand child	5,000
xi. Entertainment allowance	13,800
xii. Warden ship allowance	1,380

State the tax treatment of the above allowance if Mr.S is a Govt. employee in India.

17. Discuss any Twenty exempted incomes under Income Tax Act 1961.

18. Summarize the following data Calculate gross salary of Ms.Deepthi.

Basis salary	Rs. 7,500 per month
DA(not forming part)	Rs. 5,000 per month
CCA	Rs. 1,000 per month
Project allowance	Rs. 150 per month
Overtime Allowance	Rs. 175 per month
HRA	Rs. 3,000 per month [rent paid Rs. 4,000 per month]
Special Allowance	Rs. 75 per month
Tiffin allowance	Rs. 125 per month

[Assume she is working in Info Ltd. Agra]

19. Assess the taxable business income of Mr.Dinesh.

Particulars	Rs.	Particulars	Rs.
To Salaries	90,000	By Gross profit	3,50,000
To Rent & taxes	20,000	By Dividend	4,000
To Service charges	4,000	By Bad debts recovered	
To Legal expenses	5,000	[allowed earlier]	4,400
To Provision for I.T	6,000	By Income from Post	
To Depreciation		office savings a/c	
[allowable]	12,000		1,200
To Cost of patents rights	56,000		
To Office expenses	42,000		
To Contribution to RPF	12,000		
To Bad debts	4,500		
To Donation to NDF	2,500		
To Net profit	1,05,600		
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	3,59,600		3,59,600

20. Mr. Paneerselvam owned two motor cars which were mainly used for business purposes. The written down value on April 1,2021 of these cars Rs.1,81,000. The block of assets comprising of only these two cars, was sold in June 2021 for Rs.1,50,000. In September 2021, he sold 1,000 shares in X Ltd. (unlisted) an Indian Company, for Rs.30,00,000. He had purchased the same during March, 2005 for Rs.3,10,000. A house plot purchased in March 2011 for was sold by him for Rs. 3,00,000 was sold by him for Rs.9,35,000 on January 18, 2022. (CII 2010-11:167, 2004-05:113,2021-22:317)
Compute the capital gains chargeable to tax in respect of the above transactions for the assessment year 2022-23.

21. From the following particulars of income and losses, calculate the gross total income of an individual after set off of losses for the current assessment year.

	Rs.
Income from house property 'A'	50,000
Loss from house property 'B'	80,000
Income from interest on securities	2,00,000
Loss from cycle business	2,00,000
Profit from speculation business	2,00,000
Gain from short term capital asset	2,50,000
Long term capital loss	60,000
Long term capital gain	2,10,000