

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI-86**  
**(For candidates admitted during the academic year 2019 – 2020 and thereafter)**  
**SUBJECT CODE: 19VB/VM/TN56**

**B.Voc. DEGREE EXAMINATION, NOVEMBER 2022**  
**BANKING, FINANCIAL SERVICES AND INSURANCE**  
**FIFTH SEMESTER**

**COURSE : MAJOR CORE**  
**PAPER : TAXATION**  
**TIME : 3 HOURS**

**MAX.MARKS : 100**

**SECTION – A**

**ANSWER ALL QUESTIONS**

**(10X2=20)**

1. What is Assessment Year?
2. Write a note on Tax Evasion.
3. What is CGST?
4. State any four items eligible for deduction under Sec.80C.
5. Give the different rates of tax for GST.
6. Determine the status of the following: a) Mr. Khurana b) Delhi University.
7. Ascertain the taxability of the following receipt under the head salaries: Educational allowance received Rs.750 p.m per child – for his 3 children.
8. Calculate Annual value from the following particulars. Actual rent Rs. 6,000 p.m., MRV Rs. 60,000 p.a., FRV Rs. 66,000 p.a., Standard rent Rs. 69,000.
9. Find out the indexed cost of acquisition from the following information for the following capital assets: Cost of acquisition of a land in 2001-02 – Rs.4,50,000, Cost of acquisition of a Residential House property in 2005-06 Rs.5,00,000. Both the assets are to be sold in the previous year 2020-21, (CII – 2001-02 is 100, 2005-06 is 117 and 2020 – 21 is 301)
10. Calculate the taxable amount of annual accretion to R.P.F., from the following information: Basic salary Rs. 1,44,000, DA Rs. 9,000. - enters into service benefits Commission on turnover at 1% on sales Rs. 2,50,000. Employer contributes 14% of salary to RPF.

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS**

**(5X4=20)**

11. State any four characteristics of Salary.
12. Explain any three Cannons of Taxation.
13. From the following information, compute the income from house property:  
Municipal value of house Rs.2,00,000, Fair Rent Rs.1,80,000, Standard Rent Rs.2,50,000 and Actual Rent Rs.30,000 p.m.  
Unrealised rent was Rs.30,000. Municipal tax paid by the owner Rs.15,000 and by the tenant Rs.15,000.
14. Mr. Gupta purchases a house for Rs.36,000 on 10<sup>th</sup> May 1984. He dies on 12<sup>th</sup> September 1994. The property is transferred to Mrs. Gupta by his will. Mrs. Gupta spends Rs.40,000 in 2013-14 for renovation of the property. She sells the house for Rs.15,50,000 on 15<sup>th</sup> June 2021 (brokerage paid Rs.14,500). The fair market value of the house on 1<sup>st</sup> April 2001 is Rs.4,20,000. Find out the amount of capital gain chargeable to tax for AY 2021-22. (CII for 2000-01 is 100, CII for 2013-14 is 220, CII for 2020-21 is 301, CII for 21-22 is 317).

15. Mr. Lalith earned the following incomes during the financial year 2021-22:  
Director's fees Rs.2,000, Income from agricultural land in Afghanistan Rs.5,000, Dividend from Indian Company Rs.700, Winnings from horse races (net) Rs.35,000, interest on tax-free securities Rs.4,000, Royalty from book Rs.10,000 (expenses Rs.2,300). Calculate Income from Other Sources.
16. Mr. Prasad submits the following information relevant to PY 2021-22:  
Profit from Business A Rs.30,000, Loss from Business B Rs.3,000.  
Short term capital gains Rs.25,000, Long term capital gain Rs.7,500.  
Income from owning and maintaining race horses Rs.25,000 (Expenses Rs.2,000)  
Loss from card games Rs.1,500.  
Brought forward Business Loss Rs.12,000 (from AY 2016-17)  
Unabsorbed depreciation of Business A brought forward Rs.1,000.  
Long-term capital loss brought forward from AY 2018-19 Rs.8,000.  
Calculate his total income.
17. A company took a house on rent and allotted it to its employee. Find out the value of perquisite of accommodation provided in Chennai (population exceeds 25 lakhs):  
Rent paid for the year Rs. 60,000, Basic salary Rs.5,00,000, DA (does not enter) Rs.10,000, Commission Rs.4,000, Tiffin Allowance Rs.3,000, Conveyance allowance Rs.1,000 (expenses Rs.500). Cost of furniture provided Rs.50,000. Rent charged from employee per month Rs.1,000.

### SECTION – C

**ANSWER ANY TWO QUESTIONS**

**(2X15=30)**

18. Discuss the evolution and the structure of GST in detail.
19. Mr. Krishna is working in Chandigarh. For the year ending 31.03.2022, he has furnished the following particulars of his income. Compute his salary income.  
Pay Rs. 2,500 p.m. Dearness allowance Rs. 400 p.m. (enters), Advance salary Rs. 5,400, Salary in lieu of leave Rs. 3,000, Lunch allowance Rs. 200 p.m., Bonus Rs. 8,000, Employer and employee contribution to RPF @ 15% of salary. Conveyance allowance received during the year Rs. 2,500 & he has incurred an expenditure of Rs. 1,800 during the year. HRA 20% of salary (He is in Madurai). He pays a rent of Rs. 600 p.m. He receives Rs. 500 p.m. as entertainment allowance.
20. From the following particulars of Mr. Uddhav Singh, calculate the total income if he is a resident ordinary resident, not ordinary resident or non-resident:
- Income from profession set up in India, but amount received in Afghanistan Rs.1,25,000.
  - Income accrued in Bhopal, but received in Uttaranchal Rs.29,000.
  - Income from business in Uganda, controlled from Trichy (Rs.25,000 received in Trichy) Rs.50,000.
  - Royalty received from Government of India Rs.75,000.
  - Past untaxed profit of 2016-2017 brought into India during the current previous year Rs.85,000.
  - Gift in foreign currency from a friend received in India Rs.56,000.
  - Dividend from a foreign company Rs.1,50,000 received in India.
  - Income accrued in Indonesia Rs.2,50,000, 2/5<sup>th</sup> received in India.

21. From the following P&L a/c given by Mr. Vivek, calculate the income from business:

To general expenses	12,000	By G/P	4,15,500
To bad debts	20,000	By commission	9,000
To advance tax	11,000	By brokerage	40,000
To insurance	750	By bad debts	
To salary to staff	30,000	Recovered (earlier	
To salary to Mr. Vivek	22,000	Allowed as deduction)	15,000
To interest on overdraft	2,000	By interest on	
To interest on loan to	42,000	debenture	28,000
Mrs. Vivek			
To interest on capital of			
Mr. Vivek	23,000		
To depreciation	35,000		
To advertisement expenses	9,000		
To N/P	3,00,750		
	<b>5,07,500</b>		<b>5,07,500</b>

**Other information:**

1. The amount of depreciation allowable is Rs.40,000 as per income tax provision.
2. General expenses include salary to domestic staff Rs.500.
3. Income of Rs.10,000 accrued during the previous year is not recorded in P/L a/c.

**CASE STUDY:**

**(30 marks)**

Mr Karan is working in ACB Ltd and gets the following emoluments – basic salary Rs.10,000 p.m., DA (not forming part) Rs.4,500 p.m., bonus Rs.7,500, medical allowance Rs.150 p.m., academic research allowance Rs.250 p.m., education allowance Rs.150 p.m. per child for three children. He and his employer contribute 13.5% of salary to RPF.

He owns two house properties. The first house is let out for a monthly rent of Rs.12,500. Its MRV is Rs.1,40,000 p.a.. The second house is self-occupied by Mr. Karan himself and its MRV is Rs.1,50,000. He has paid Rs.14,500 for first house and Rs.16,750 for second house as interest on borrowed capital. Municipal tax paid by the owner for first house is Rs.2,000 and for the second house Rs.2,500.

Apart from the above mentioned he gets the following incomes

Royalty from writing books Rs.2,00,000. He has purchased books worth Rs.40,000 for writing the book.

Dividend from an Indian company Rs.25,000.

Agricultural income from land situated in Delhi Rs.50,000.

Interest on securities Rs.2,000

He has also donated Rs.8,000 to Prime Minister's National Relief Fund.

- a. Calculate the taxable salary income of Mr. Karan.
- b. Calculate the income from let out house.
- c. Compute his loss from self-occupied house.
- d. What is his income from other sources?
- e. What is his tax liability for the Assessment year?

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