

B.Com. DEGREE EXAMINATION NOVEMBER 2022
COMMERCE
FIFTH SEMESTER

COURSE : MAJOR CORE
PAPER : INCOME TAX LAW AND PRACTICE
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A

Answer ALL questions.

(10 x 2 = 20 marks)

1. Explain the term Assessee.
2. Mr. Kumar left India for the first time on 15/12/21 and returned back to India on 5th February 2022. Identify his residential status for the assessment year 2022 – 2023.
3. Write short note on 'Perquisites.
4. Find out the GAV:
Municipal Valuation Rs.1,20,000
Fair Rent Rs.1,30,000
Standard rent Rs.1,10,000
Actual Rent Rs.1,26,000
5. Define the term "Profession".
6. A trader paid Rs.22,250 for advertisement expenses in cash. Compute the inadmissible expenses.
7. What are Capital Assets? What are its kinds?
8. From the following, calculate income from other sources for the Assessment Year 2022 – 2023.
 - i. Dividend (Gross) Rs.16,000.
 - ii. Winning from horse races Rs.40,000.
 - iii. Winning from lottery tickets Rs.1,00,000.
9. Write short notes on Carry-forward of losses.
10. Mr. Arul informs you that his total income computed under the income tax Act is Rs.2,60,000. Calculate his tax liability for the AY 2022 -2023.

SECTION B

Answer any FIVE questions.

(5 x 8 =40 marks)

11. What is tax? Explain its types.
12. From the following are the incomes of Sri Rathnam for the previous year 2021 -2022.
Calculate total income if he is a Resident, Not ordinary resident and Non- resident.
 - i. Profit from business in Bangalore Rs. 10,000
 - ii. Profit from business in Japan received in India Rs.5,000.
 - iii. Income from house property in Karachi received in Bombay Rs.4,000.

- iv. Profit Rs.20,000 from business established in England and deposited there.
This business is controlled from India.
- v. Income from house property in America and deposited there Rs.2,000.
- vi. Income accrued in India but received in Japan Rs.4,000.
- vii. Past untaxed profit brought into India during the current previous year
Rs.10,000.

13. From the details given below, compute net salary for the Assessment year 2022 -23.

Basic Salary	Rs.3,500 p.m.
DA	Rs.1,000 p.m.
CCA	Rs.200 p.m.
HRA	Rs.1,000 p.m. (Rent paid in Delhi Rs.1,500 p.m.)
Commission on sales received	Rs.6,000

14. From the following particulars of Mr. Raja find out income from house property.

Municipal value	Rs.1,40,000.
Fair rental value	Rs.1,45,000.
Standard Rent	Rs.1,42,000.
Annual Rent	Rs.1,68,000.
Unrealized rent	Rs. 70,000.
Vacancy period	3 Months
Loss due to vacancy	Rs. 42,000

15. Mr. Sankar holds the following securities on 1.4.2021.

- i. Rs. 86,000, 7% Securities of Gujarat Government.
 - ii. Rs.92,000, 9% Securities of MP Government
 - iii. Rs.80,000 6% Debentures of ABC Ltd.
 - iv. Rs.10,000 9% Government Bonds Securities
- Find out his income from other sources.

16. From the following receipts & payments of Ms. Kate who is a legal advisor. Calculate Income from Profession.

Receipts	Rs.	Payments	Rs.
To Balance b/d	20,000	By Purchase of a type writer	5,000
To Fees	1,40,000	By Car expenses	20,000
To Presents from client	20,000	By Salary to staff	20,000
To Rent of a let-out property	60,000	By Office expenses	5,000
To Winning from lottery	25,000	By Income tax	50,500
		By LIC premium	350
		By Balance c/d	1,64,150
	2,65,000		2,65,000

Additional information:

- I. Car is 50% used for official purposes and 50% used for private purposes.
- II. Outstanding income tax provision of Rs. 1,000 is to be made.

17. The following are the particulars of income of Mr. R for the previous year ended 31st March 2022.

	Rs.
Dividend	20,000
Loss from House property	32,000
Interest from bank Deposits	10,000
Business Income	50,000
Loss in speculation business	3,000
Short term capital loss	10,000
Long term capital gain	15,000

Compute the gross total income of Mr. R after setting of the different losses against other incomes.

SECTION C

Answer any TWO questions.

(2 x 20 =40 marks)

18. Compute the taxable salary of Mrs. Devi of Madurai, (population 18 lakhs) for the assessment year 2022-23 from the following particulars:

- i. Basic pay Rs.8,000 p.m.
- ii. Dearness allowance of Rs.2,000 p.m. (enters into retirement benefits)
- iii. Bonus Rs.8,000 p.a.
- iv. Rent free accommodation provided by the employer, the fair rental value of which is Rs.20,000 p.a. The cost of furniture provided there is R.10,000.
- v. Entertainment allowance Rs.500 p.m.
- vi. Her contribution to RPF is at 15% of salary.
- vii. Employer's contribution to RPF is Rs.15,000 p.a.
- viii. Interest credited to provident fund at 9.5 per cent per annum amounted to Rs.1,900.
- ix. Free use of a larger Motor Car for both official and personal purposes. Driver is also provided by the employer.

19. From the P&L A/c. Compute income from business for the assessment year 2022-23

Particulars	Rs.	Particulars	Rs.
To Rent & rates	45,000	By Gross profit	2,25,000
To Dep. On machinery	8,000	By Income from other sources	1,50,000
To Dep. On furniture	2,000	By Income from capital gain	1,00,000
To Purchase of motor car	50,000	By Miscellaneous income	1,25,000
To Car expenditure	3,000		
To Advertisement (cash)	25,000		
To Net profit	4,67,000		
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	6,00,000		6,00,000

- (a) Allow Rs.5,000 as depreciation on machinery
- (b) 50% of motor car expenses relates to personal use
- (c) Miscellaneous receipt is approved by I.T. authority as business income.
- (d) Motor car has no depreciation.

20. Mr. Yuvaraj sold the following assets during the ended 31-3-2022.

Particulars		Sale Proceeds (Rs.)
i.	Shop purchased in 2002-03 (CII 105) for Rs.18,000	70,000
ii.	Machinery purchased in 2007-08 (CII 129) for Rs.50,000(WDV on 1.4.2020 Rs. 35,000)	60,000
iii.	Furniture Purchased on 1.5.2021 Rs.1,000	1,300
iv.	Agriculture land purchased in Coimbatore in 1979 - 80 for Rs.10,000 (F.M.V. on 1.4.2002 (CII;100) being 15,000)	80,000
v.	One residential house purchased in 2010-11 (CII :167) costing Rs.30,000	98,200

Compute taxable capital gain (CII for 2021 -2022 : 317)

21. Calculate Tax Liability from the following information given by Mr. Amit Sharma.

- He was receiving a salary of Rs.8,000 per month, apart from conveyance allowance of Rs.300 per month (Rs.150 p.m. actually spent).
- He had an house whose GAV is Rs.1,50,000, Municipal Tax Rs.3,000 out of which Rs.1,500 is paid by the tenant.
- His income from other sources comes to Rs.4,50,00.
- He has contributed Rs.40,000 to PPF.
- He paid Rs.5,000 towards medical insurance premium.
