

**B.COM.(C.S) DEGREE EXAMINATION NOVEMBER 2022**  
**CORPORATE SECRETARYSHIP**  
**FIFTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : INCOME TAX PRACTICES**  
**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:**

**(10 x 2 = 20)**

1. Explain the term Capital Gain.
2. Define ‘Annual Value’.
3. What do you mean by the term “Assessee”
4. Define “Assessment year and Previous year”
5. Write a note about Exempted Income.
6. Cost of acquisition in 2002-03 Rs. 1,20,000. Find out the indexed cost if sold in 2021-22. (C.I.I. for 2002-03 is 105 and for 2021-22 is 317)
7. X receives salary of 40,000 p.m. and D.A. @ 10,000 p.m. His employer declares half of D.A. as pay (i.e., enters into pay for service benefits). Compute his salary.
8. Mr. M. was allowed to use a Refrigerator by Employer. Its cost was ₹ 19000. Calculate the value of benefit if it is given to employee on 1.4.2020.
9. Mr. A invested Rs. 1,00,000 in 9% tax-free debentures of a company. What will be his taxable interest for the previous year ending on 31-3-2021 if the rate of deduction of tax at source is @ 10% Interest accrues on 1st January every year.
10. A person after about 26 years stay in India, retired to England in April 2019 and returned to India on 15th Feb. 2022 to take up a salaried appointment. What is his Residential Status for the previous year 2021-22.

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS:**

**(5 x 8 = 40)**

11. Mr. Ram, an Indian citizen leaves India for the first time on 31st May 2017 and comes back on 15th May 2020. He again leaves India on 10th June 2021 to come back on 14th January 2022. He is living in India since then. Determine his status for the previous year 2021-22.
12. Calculate the taxable amount of annual accretion to R.P.F. if following information is provided by assessee:
  - (i) Pay @ 40,000 p.m.
  - (ii) Commission received by him on the basis of turnover achieved by him :  
Rs. 1,36,000
  - (iii) Employer's contribution to R.P.F. @ 13% of salary;
  - (iv) Interest credited during the year to R.P.F. Balance @ 12% is 64,000.

13. Mr. Babu retired on 30-11-21 from a coal mine after putting a service of 28 years and 10 months. At the time of his retirement, he was getting a salary of 16,000 p.m. and he used to get an increment of 500 p.m. on 1st April every year. His D.A. was 2000 p.m. Gratuity received 40000. Find out his taxable gratuity, if he is covered under Gratuity Act, 1972.
14. (a) Calculate ARV from the particular given below
- |             |             |               |             |
|-------------|-------------|---------------|-------------|
| Actual Rent | 7,000 p.m.  | MRV           | 60,000 p.a. |
| FRV         | 66,000 p.a. | Standard Rent | 69,000 p.a. |
- Assessee could not realise rent for two months and house also remained vacant for 2 Months during the previous year 2021-22.
- (b) What difference it would make if every thing else remaining the same but actual rent received is 6,000 p.m.
15. Mr. Ankit purchased a residential house during the previous year 2001-02 for 40 lakhs and sold it for 2 crores during the previous year 2021-22. He purchased two houses worth Rs. 38 lakhs each on February 21, 2022. Calculate taxable capital gain u/s 54 for the assessment year 2022-23.
16. The following investments are held by Mr. Laxman on 1-4-2021
- 40,000, 10% U.P. Government Loan
  - 35,000, 8% Debentures of a Sugar Mill Co. Saharanpur
  - 50,000, 12% Debentures of Ugly Trading Co.
- On 1-9-2021, he sold the debentures-cum-interest of Ugly Trading Co. and purchased 60,000, 15% debentures-cum-interest of Beauty Trading Co. Interest on investments is received half yearly on 1st July and 1st January every year. Calculate income from securities for the previous year 2021-22.
17. The following are the particulars of income and loss of an individual under different heads of income. Set-off losses in the assessment year 2022-23 and find out gross total income
- |                                      |         |
|--------------------------------------|---------|
| Income from house property A         | 5000    |
| Income from house property B         | -8,000  |
| Income from interest on securities   | 20,000  |
| Income from a cycle business         | -20,000 |
| Profit from speculation business     | 20,000  |
| Loss from short-term capital asset   | 6,000   |
| Long-term capital loss               | 25,000  |
| Long-term capital gain (Investments) | 21,000  |

### SECTION – C

**ANSWER ANY TWO QUESTIONS:**

**(2 x 20 = 40)**

18. The particular given below, compute salary income of Mr. Imran.

Salary @ 40,000 p.m.

Bonus equal to one month's salary 40,000

Entertainment allowance @ 5 000 p.m. 60,000

Free gas and water supply 5,000

He is provided with a rent free accommodation in Delhi owned by the employer the F.R.V. of which is 10,000 p.m. (Population of Delhi is above 25 lakhs).

He is provided with the facility of a 18 cubic capacity car which he uses both for private and official purposes.

He has engaged a domestic servant @ 1000 p.m. and his salary is being paid by his employer. He is provided the facility of a free lunch in the office during lunch break valued at 100 per day for 250 days in the previous year.

The employer is maintaining a holiday home at Shimla and employee stayed there for 10 days free of cost. Its cost to the employer shall be 10,000.

During the year employee and his wife travelled by Air to Bombay to attend a family function and air tickets worth 24,000 were purchased by him through credit card provided to him by the employer.

Employer and employee both are contributing @ 14% in employee's recognized provident fund.

19. Mr. B, own a house property at Cochin. It consists of 3 independent units and information about the property is given below:

UNIT 1: Own residence, UNIT 2: Let out, UNIT 3: Own business

MRV	₹	120000 p.a
FRV		132000 p.a
Standard Rent		108000 p.a
Rent		3500 p.m
Unrealised Rent		for three months
Repairs		10000
Insurance		2000
Interest on money borrowed for the construction of property		96000
Municipal Taxes		14400
Date of completion		1.11.2015

20. From the following particulars, compute the business income of Mr. S. Ranganathan.

	₹		₹
Salaries	90000	Gross Profit	350000
Rent and taxes	20000	Dividend	4000
Service charges	4000	Bad Debts recovered (allowed earlier)	4400
Legal charges	5000	Interest from post office savings bank	1200
Reserve for Income – tax	6000		
Depreciation	12000		
Expenses on acquisition of patent rights	56000		
Office expenses	42000		
Contribution to R. P. F.	12000		
Bad Debts	4500		
Donation to N. D. F.	2500		
Net Profit	105600		
Total	359600		359600

Notes:

- Legal expenses include ₹ 2000 incurred by assessee for defending a case for damages for breach of contract which was decided in favour of assessee.
- Depreciation of the year on assets other than patent rights is ₹ 16900.
- Contribution to RPF due on 31.3.2022 ₹ 2000.

21. Mr. H submits the following particulars about sale of assets during the year 2021-22.

	Jewellery	Plot	Gold
Sale price	500000	2074000	250,000
Expenses on sale	NIL	24,000	Nil
Cost of acquisition	150000	700000	80000
Year of acquisition	2007-08	2004-05	2009-10
C.I.I.	129	113	148

He has purchased a house for Rs.1200000 on 1.3.2022. Calculate the amount of taxable capital gain if C.I.I for 2021 – 2022 is 317.

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