

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2019– 2020 and thereafter)**

**B.COM (A&F). DEGREE EXAMINATION NOVEMBER 2023**  
**ACCOUNTING AND FINANCE**  
**FIFTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : INDIVIDUAL TAX ASSESSMENT**  
**SUBJECT CODE : 19AF/MC/IA54**  
**TIME : 3 HOURS** **MAX. MARKS: 100**

**SECTION – A**

**ANSWER ALL QUESTIONS:**

**(10 x 2 = 20)**

1. What is Taxation?
2. Who is a “Not Ordinary Resident”?
3. Define the word 'Salary'.
4. What are the chargeable income under **Profits and gains of business or profession**?
5. What is a Capital Gain?
6. Mr. Williams is an Indian citizen who lives, in India since 1994. During the previous year 2022-2023, he went to Arabia for 325 days. Identify the residential status.
7. Mr. Surender left India for the first time on May 20, 2019. During the financial year 2021-22, he came to India once on May 27th for a period of 53 days. Determine his residential status for the assessment year 2023-24.
8. A House Property whose municipal valuation is 52,000 has been let out at rate of 5,000 per month. Local taxes paid in respect of property amounted to 6,000 out of which land lord has paid 4,000 balance of 2,000 being are met by tenant. Compute Annual Value of House property.
9. Calculate the total income of Mr. J from the following:  
House property loss Rs.20,000, Long term capital loss Rs.10,000, Short-term capital gains Rs.50,000, Income from other sources Rs.25,000
10. On 25-2-2023, Mr. Kaushal gifted his personal building to his friend Mr. Lala. The market value of the building was Rs. 18,40,000 and the value of the building adopted by the Stamp Valuation Authority for charging stamp duty was Rs. 19,00,000. What will be the tax implications of the above items in the hands of Mr. Kaushal?

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS:**

**(5 x 8 = 40)**

11. From the following details calculate the total income of Mr. Raja, if he is OR, NOR and NR
  - Dividend from Indian company Rs.1,00,000
  - Dividend from foreign company Rs.1,50,000, received in India
  - Income from business in Kenya but controlled from India Rs.2,00,000
  - Income accrued in Switzerland Rs.2,50,000, 2/5th received in India
  - Income from business in Indonesia but controlled from Bangladesh Rs.5,00,000
  - He received rental income of Rs. 50,000 from a property situated in Srilanka.

12. Mr. Ram resides in Chennai and gets Rs.10,000 per month as basic salary Rs. 8,000 per month as DA (entering service benefits), Rs.5,000 as commission on turnover, Rs.12,000 per month as HRA. He lived in his parents' house for 2 months and in the rented house for the remaining part of the year. He pays Rs. 10,000 per month as rent. Calculate taxable HRA.

13. From the following calculate Income from House Property:

Particulars	House 1	House 2
MRV	1,05,000	1,05,000
FRV	1,07,000	1,07,000
SR under rent control act	1,35,000	1,35,000
Actual Rent (AR)	1,12,000	98,000
Vacancy period	-	2 months

14. From the following P&L A/c calculate Income from Business.

Particulars	Amount	Particulars	Amount
To Rent	40,000	By gross profit	2,50,000
To Salary to employees	25,000	By house property income	1,50,000
To Depreciation	10,000	By income from other sources	2,00,000
To Donation	8,000		
To Net profit	5,17,000		
	6,00,000		6,00,000

Adjustments:

- Depreciation to be allowed as per income tax provision Rs. 8,000.
- Business income of Rs. 12,000 is not shown in the P&L A/c.
- Rs. 8,000 of the rent is of personal nature.

15. From the following receipts and payments A/c of Mr.Vasanth, a tax consultant, calculate income from profession.

Receipts	Amount	Payments	Amount
To balance	3,50,000	By office and admin expenses	60,000
To fees from clients		By salary to staff:	
2022-23 1,00,000		2022-23 40,000	
2021-22 50,000	1,50,000	2021-22 30,000	70,000
To presents from clients	40,000	By repairs	8,000
To winning from lotteries	28,000	By interest on loan for business	12,000
To rent from let out property	75,000	By income tax	6,000
To share of income from firm	12,500	By purchase of car (purchased during January 2023) (Official use)	1,50,000
		By balance	3,49,500
	6,55,500		6,55,500

16. Mr. Ahuja furnishes the following information of his income for the year ending 31 March, 2023.

1. Dividend in September 2022 from UTI	Rs . 2000/-
2. Dividend received in July from XYZ Co Ltd	Rs. 3580/-
3. Directors fee received	Rs.20000/-
4. House rent received ( Rs. 250/- p.m.) Half portion of this house was sublet on monthly rent of Rs.250/-	Rs. 3000/-
5. Winning from horse race on 1.12.2022	Rs. 5528/-
6. Winning from lottery (cost of tickets Rs.2000/-)	Rs.27640/-

17. Gross total income of Mrs. Neha is Rs. 6,75,000, she deposited in RPF Rs.50,000. She paid donation to a Political Party Rs. 10,000 by cheque and Prime Minister National Relief Fund Rs.15,000 by cheque. She paid medical insurance premia on the health of her spouse Rs. 27,000 by cheque. Compute her total taxable income for assessment year 2023-24.

### SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. The following are the particulars of Mr.Priyan who is employed in Chennai.

- Basic Salary Rs.4000 p.m.
  - DA (60% of Basic Salary)
  - CCA Rs.250 p.m.
  - He and his employer both contribute 14% of salary to recognized provident fund.
  - Interest credited on accumulated balance of RPF @ 10% Rs.40,000
  - He has been provided with a rent-free house in Chennai (population above 25 lakhs). He is provided with furniture costing Rs.30,000 in the house.
  - He is provided a motor car (1.8 litre) with driver which is used for both official and personal purposes.
  - During the year he paid professional tax Rs.550.
  - Education allowances Rs.150 p.m. (Per Child). He has two children.
- Calculate Salary Income.

19. Mr. Joseph made the following payments in the previous year 2022-23

- i) Rs.9,000 paid (by cheque) to GIC for insurance of health of his wife who is not dependent on him.
- ii) Rs.9,000 paid to G.I.C. by cheque for insuring own (Joseph) health.
- iii) Rs.4,000 paid to G.I.C. by cheque for insuring the health of his dependent major child.
- iv) Rs.6,000 paid (in cash) to G.I.C. for insuring health of his dependent Minor daughter.
- v) Rs.6,000 paid by cheque to G.I.C. for insuring health of his dependent brother.
- vi) Rs.40,000 paid by cheque to G.I.C. for insuring health of his father (not dependent, Age 63 years, resident in India).
- vii) Rs.14,000 paid to G.I.C by cheque for insuring health of his dependent (upon Joseph) mother.
- viii) Rs. 5,000 paid by cheque to G.I.C. for insuring health of dependent grandparent.

- ix) Rs. 1,000 paid by cheque to G.I.C. for insuring his minor son's health. Son is not dependent upon him.
- x) Rs.100 paid by cheque to L.I.C. for his group insurance.
- xi) Rs.6,000 paid in cash for preventive health check – up.
- (a) Compute the admissible deduction u/s 80 D.
- (b) What will be the deduction if his father is a Non-resident in India.

20. The following is the P/L a/c of Mr. Ranjith for the year ending 31<sup>st</sup> March 2023:

Particulars	Rs.	Particulars	Rs.
To opening stock	1,08,000	By Sales	5,00,000
To purchases	3,50,000	By closing stock	1,35,000
To Gross profit	<u>1,77,000</u>		
	<b><u>6,35,000</u></b>		<b><u>6,35,000</u></b>
To Salaries	23,000	By Gross Profit	1,77,000
To office expenses	18,000	By bad debts recovered (earlier disallowed)	10,000
To Depreciation	14,000	By dividend from shares	3,000
To GST paid	9,000	By commission	10,000
To Legal expenses	8,000	By rent of house property	9,000
To Income Tax	7,000	By brokerage	10,000
To patents purchased	12,000	By refund of income tax	8,000
To repairs to house	6,000		
To donations	2,000		
To provision for bad debts	3,000		
To general expenses	12,000		
To net profit	1,13,000		
	<b>2,27,000</b>		<b>2,27,000</b>

**Additional Information:**

- Salary includes Rs.6,000 paid to workers employed at home.
- Legal expenses include Rs.1,000 paid to the advocate in connection with personal case and penalty paid Rs.500.
- Depreciation allowed as per IT rules Rs.12,000.
- GST was paid before due date of filing return.
- Compute his income from business for the assessment year 2023-24.

21. Mr. Shah furnishes the information of his income for previous year 2022-23. Compute the income under the head "income from other sources".

1. Dividend income from equity shares	Rs. 600/-
2. Dividend on Preference Shares	Rs. 3200/-
3. Income from letting building and machinery	Rs.17,000/-
4. Interest on Bank Deposits	Rs. 2500/-
5. Directors sitting fee	Rs. 1200/-
6. Ground rent received	Rs. 600/-
7. Income from undisclosed sources	Rs.10,000/-
8. Winning from lotteries are claimed by him	Rs.10,000/-
Following deductions are claimed by him:	
i) Collection charges of preference share	Rs. 200/
ii) Allowable depreciation on building & Machinery	Rs. 4,000/-
iii) Fire Insurance on Building & Machinery	Rs. 100/-

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