

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086**  
**(For candidates admitted during the academic year 2020-2021 and thereafter)**

**B.COM. DEGREE EXAMINATION-APRIL 2024**  
**HONOURS**  
**FOURTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : DIRECT TAXATION**  
**SUBJECT CODE : 20BH/MC/DT44**  
**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION-A**

**Answer ALL questions:**

**(10x2=20)**

1. Define Assessment year.
2. What is Pre-Construction Interest?
3. Define Long Term Capital Asset.
4. Write a note on the provisions under section 80E.
5. What is TAN?
6. What is Re-assessment?
7. Mr. Vasu a foreign citizen comes to India on 25/03/2022 and it was his first trip to India in the last twenty years. He left India for Germany on 01/10/2022 for business purpose. On 01.03.2023 he came back. Determine his residential status for the PY 2022-23.
8. Mr. X a resident of Ajmeer, receives Rs.48,000 p.m. as basic salary during the PY 2022-23. In addition, he gets Rs.4,800 p.m. as DA forming part of salary, 7% commission on sales made by him (sales value Rs.86,000) and Rs.6,000 p.m. as HRA. He however pays Rs.5,800 p.m. as house rent. Determine the quantum of HRA exempt from tax.
9. Given below are the investments of Ms. M made during the previous year. Compute total income from other sources.
  - a) Rs.50,000                      10% U.P Government loan
  - b) Rs.45,000                      Tax free 10% debentures of BPL Ltd
  - c) Rs.30,000                      9% Preference shares of ABC Ltd, Chennai
  - d) Rs.1,00,000                      10% Less tax commercial securities of A Ltd.
10. Mr. S has submitted the following information. Compute his GTI for the PY 2022-23  
Rs.

Income from card games	15,000
Loss from card games	5,400
Income from securities	7,500
Loss on maintenance of race horses	3,000

**SECTION-B**

**Answer any FIVE questions:**

**(5x8=40)**

11. Write a brief note on PAN.
12. Following are the incomes of Mr.A for the PY 2022-23:

a) Profit from business in Chennai	Rs.20,000
b) Income accrued in India but received in Singapore	Rs. 4,000
c) Profit from business in USA but received in India	Rs. 5,000
d) Income from house property in Trichy received in Mumbai	Rs. 4,000
e) Profit from business abroad, controlled from India	Rs.15,000
f) Income from house property in Srilanka and deposited there	Rs. 2,000
g) Past untaxed income brought into India	Rs.12,000

Compute the total income of Mr.A for the PY 2022-23 if he is a)  
a) Resident                      b) Not Ordinarily Resident                      c) Non-Resident

13. Mr. S owns two houses, the particulars of which are given below for the previous year 2022-23:

Particulars	House A (Rs.)	House B (Rs.)
Annual Rent	Nil	1,72,000
Standard rent	5,00,000 p.a.	1,50,000 p.a.
Municipal Valuation	4,90,000 p.a.	1,60,000 p.a.
Fair Rent	5,00,000 p.a.	1,80,000 p.a.
Municipal taxes paid during the year	49,000 p.a.	16,000 p.a.
Fire Insurance due	5,000 p.a.	3,000 p.a.
Ground rent paid	4,500 p.a.	3,900 p.a.
Interest on money borrowed during 1998-99 for the construction of the house (50% paid)	36,000 p.a.	48,000 p.a.
Unrealised rent pertaining to this year	Nil	6,000
Nature of occupation	Self – occupied	Let out

Compute Income from House Property for the previous year 2022-23 assuming that the Assessing Officer is satisfied with the non-recovery of rent.

14. Mr. Kiran retired on 30.09.2022 after serving 23 years and 9 months. He was receiving a basic salary of Rs.6000 p.m. and as D.A. 20% of his salary (50% D.A. part of salary). On retirement he received Rs.1,80,000 as gratuity. He was entitled to a pension of Rs.3,600 p.m. from 01.10.22. He got 75% of pension commuted on 01.01.23 and received a sum of Rs.1,20,000 as commuted pension. Compute his taxable pension and commuted pension.
15. From the particulars of income of Mr. Madan, Compute his (i) Professional Income and (ii) Income from Other Sources of the A.Y. 2022-23.
- He owns an agricultural land in Bangladesh from which he earned an income of Rs.6500.
  - He owns a plot of land in Dharwad which is let out for Rs.1200 p.m. for trading purposes.
  - He has a building near agricultural land in a village in India. It is let out for Rs.900 p.m. and used for storing agricultural equipment.
  - He received Rs.12,500 during the year as management consulting fees.
  - He has a quarry in Ankola. He has let it on a royalty of 50 paise per ton of stone raised. During the year 14,600 tons of stone was raised. He spent Rs. 450 to earn royalty.
  - He has let out machinery and furniture at Rs.3,000 p.m. He spent Rs.1,000 on repairs. Depreciation allowed is Rs.6,000.
  - He lives in a rented house paying a rent of Rs.2,000 p.m. He has sublet 40% of this house at a rent of Rs.1,500 p.m.
  - He has received an amount of Rs.70,000 as lottery prize.

16. Mr. Kumar a lawyer by Profession keeps his cash book as per cash system of accounting. The following is the summary of his cash book for the year ended 31.3.2023. Compute his Income from Profession.

Receipts	Rs.	Payments	Rs.
To Balance	5,000	By rent of chamber	2,400
To fees	35,000	By car expenses	3,600
To remuneration as examiner	3,000	By household expenses	12,000
To interest on bank deposits	2,500	By local taxes for the house	1,200
To rent from house property	8,000	By repairs of the house	4,000
To dividends	1,600	By LIC premium for self	4,800
		By cost of books for profession	4,000
		By medical treatment for self	5,000
		By Balance	18,100
<b>TOTAL</b>	<b>55,100</b>		<b>55,100</b>

- 1/3 of the house is used by Mr. Kumar for his own residence.
- Kumar is insured for Rs. 40,000.
- Kumar has to get medical treatment for an eye ailment caused by intensive study of law books.
- 1/2 of the car expenses relate to personal use of the car by Kumar.
- Depreciation computed at the prescribed rate on the WDV of the car is Rs.2,000.

17. Ms. Soni whose GTI Rs.40,00,000 makes the following donations during the PY ending 31.3.23

S.No.	Particulars	Amount Rs.
1	P.M. National Relief Fund	1,00,000
2	National Defence Fund	2,00,000
3	Temple of public worship for its repair (Notified)	2,00,000
4	Local college for construction of commerce block	1,00,000
5	Poor student as aid	10,000
6	Municipal Committee	1,00,000
7	PGI Chandigarh for promotion of family planning	50,000
8	C.M Earthquake Relief Fund	20,000
9	The GTI includes Rs,10,00,000 as profit on sale of Long-Term Capital Assets.	

Compute deduction under section 80G and his total income for the A.Y. 2023-24.

### SECTION-C

Answer any ONE question:

(1x20=20)

- Explain E-Filing with its merits and demerits.
- From the following particulars, find out the taxable salary of Mrs. Babitha working at Coimbatore (Population 11 lakhs):
  - Salary Rs.12000 p.m.
  - D.A @ 100% of salary
  - Employer's contribution to RPF 14% of basic salary.

- d) Rent free accommodation (unfurnished) Fair Rental Value is Rs. 80,000 p.a. Expenses on maintenance of garden met by employer Rs. 3,000.
- e) Interest on Provident fund balance @ 13% p.a. Rs. 3,900
- f) A car (1.4 Lt. capacity) is provided by the employer. All expenses are borne by the employer. It is used for both official and personal purposes. Car was used by employee only for 11 months during the year.
- g) She paid professional tax of Rs. 1,200
- h) She received Rs.500 p.m. as fixed medical allowance

20. Mr. H submits the following particulars about sale of assets during the year 2022-23:

Particulars	Jewellery (Rs.)	Plot (Rs.)	Gold (Rs.)
Sale Price	5,00,000	21,74,000	2,50,000
Expenses on sale	NIL	24,000	NIL
Cost of acquisition	1,50,000	7,00,000	80,000
Year of acquisition	2007-08	2004-05	2009-10
C.I.I	129	113	148

He has purchased a house for Rs.12,00,000 on 01.03.2023. Calculate the amount of taxable capital gain if CII for 2022-23 is 331.

21. **Compulsory Case study:**

**(1x20=20)**

From the particulars given below, compute the Total Income and Tax payable (Ignore U/s115BAC) by Mr. D, a central government employee working a Chandigarh:

- (a) Salary 25,000 p.a.
- (b) D.A @ 50% of salary
- (c) T.A Bill (Actual expenditure Rs.6,000 p.a.) 5,000 p.a.
- (d) Bonus 35,000
- (e) His contribution to Statutory Provident fund 2,500 p.m.
- (f) Employer's contribution to SPF 10% of salary
- (g) Interest accumulated balance of SPF @ 13% 12,000
- (f) Entertainment Allowance 1,000 p.m.
- I. He owns two houses, one of which is let out at a rent of Rs. 4,000 p.m. and other (whose annual value is Rs.10,000) remained vacant throughout the year on account of his employment at Ambala where he has taken a house on rent. The two houses are subject to Municipal taxes Rs. 5,000 and Rs. 1,000 respectively.
- II. He earned Rs. 11,500 as interest from the Government securities and bank interest on SBI fixed deposits Rs. 11,000 and on a saving account Rs. 20,600. He pays Life Insurance premium of Rs. 25,000 on his life policy Rs.4,00,000. He deposited Rs.10,000 in Home Deposit Account.
- III. During the year he sold shares of Hero Honda Ltd and earned a short-term capital gain of Rs.50,000 (STT paid).

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