

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI-86
(For candidates admitted during the academic year 2019 – 2020 and thereafter)

B.Voc. DEGREE EXAMINATION, NOVEMBER 2024
BANKING, FINANCIAL SERVICES AND INSURANCE
FIFTH SEMESTER

COURSE : MAJOR CORE
PAPER : TAXATION
SUBJECT CODE : 19VB/VM/TN56
TIME : 3 HOURS

MAX.MARKS : 100

SECTION – A

ANSWER ALL QUESTIONS:

(10 x 2 = 20)

1. What is Direct Tax?
2. List any two inadmissible expenses under business income.
3. Mention the types of Capital gains.
4. What are Casual incomes?
5. Brief on UTGST.
6. Ascertain the number of days stay during the relevant previous year, if an assessee leaves India for Dubai on 18.04.2023 and could not return to India till the end of the financial year.
7. Find the taxable value of perquisite of Ms. Kim, if she is provided with the facility of a small car which she uses for both private and official purpose (expenses met by employer).
8. From the particulars given below, calculate the annual rental value of the house.
MRV Rs 48,000
FRV Rs 60,000
Real rent Rs 54,000
Standard rent Rs 72,000
9. Determine the Indexed cost of acquisition for the assessment year 2024-25:
Cost of the house purchased in 1998-99 was Rs. 80,000
Fair market value on 1-4-2001 being Rs. 150,000
C.I.I for 2001-02 = 100
C.I.I. for 2023-24 = 348
10. Ms. D's total income is Rs.5,59,000. Calculate the tax payable for the assessment year 2024-25.

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 4 = 20)

11. Point out the assets which are treated as Long term Capital Assets.
12. What are the merits of GST for Business?
13. Mr. Mohan, a Canadian national came to India for the first time on June 15, 2018. During the financial years 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, he stays in India for 120 days, 115 days, 15 days, 191 days, 124 days and 80 days respectively. What would be his residential status during the assessment year 2024-25?

14. Compute the taxable salary from the following information:
 a) Salary Rs. 48,000 p.m.
 b) Commission @ 1% of turnover of Rs. 80,00,000 achieved during previous year.
 c) Employee contribution to RPF Rs. 7,000 p.m.
 d) Interest credited to RPF balance @12% p.a. is Rs.72,000
15. Ms.Narnia owns a house, the particulars of which are given below for the previous year 2023-24

Particulars	House
Actual rent received	9,000 p.m.
Standard rent	90,000 p.a.
Municipal Valuation	96,000 p.a.
Fair rent	88,000 p.a.
Municipal taxes paid during the year	3,000 p.a.
Interest on money borrowed for construction of house	10,000 p.a.
Self –occupied	1.4.23 to 30.11.23
Let-out	1.12.23 to 31.3.24

Compute income from house property for the assessment year 2024-25.

16. From the following Receipts and Payments Account for the year ended 31st March 2024 of Dr.Honda and from further particulars given below, compute his total professional income.

Receipts	Rs	Payments	Rs
Opening cash balance	1,024	Consulting room rent	12,000
Consultation fees	90,000	Car expenses	6,000
Salary from Medical college	266,000	Life insurance premium	22,000
Short-term capital gain on sale of shares(STT not paid)	38,976	Son's marriage expenses	5,000
Interest from bank –Fixed Deposit	23,200	Advance Income Tax	5,000
Loan from Bank	10,000	Household expenses	172,000
Cash gifts on son's marriage	10,000	Closing cash balance	159200
	439200		439200

Additional Information: Half of the car expenses are treated as personal.

17. Compute the taxable capital gains for Ms. Kia for the assessment year 2024-25. She sold a plot of land on 1.6.2023[C.I.I.=348] for Rs. 14,90,000. She paid Rs 40,000 as selling expenses. She acquired the plot on 1.4.2005 [C.I.I.=113] for Rs. 3,10,000. On 1.10.23 she invested Rs 300,000 in bonds issued by Rural Electrification Corporation Ltd and Rs 100,000 in Bonds of National Highway Authority of India.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. Write the features of Salary as per Income Tax Act.
19. Ms.Mia furnished the following particulars of her income and during the previous year relevant to the assessment year 2024- 25:

		Amount in Rs
i	Interest on UK Development Bonds, 50% of interest received in India	10,000
ii	Income from a business in Chennai (50% is received in India)	20,000
iii	Dividend from British Company received in London	5,000
iv	Profits on sale of plant at Germany 50% of profits are received in India	40,000
v	Income earned from Business in Germany which is controlled from Delhi (INR 40,000 is received in India)	70,000
vi	Profits from a business in Delhi but managed entirely from London	15,000
vii	Income from House Property in London deposited in an Indian Bank at London, brought to India	50,000
viii	Interest on debentures in an Indian company received in London.	12,000
ix	Income from a business in Russia, controlled from Russia	20,000
x	Agricultural income from a land in Rajasthan	15,000
xi	Income from property situated in Pakistan received there	16,000
xii	Past foreign untaxed Income brought to India during the previous year	5,000

Compute her taxable income if she is

- 1) Resident 2) Not- ordinarily resident 3) Non-resident

20. Compute income under the head other sources for the assessment year 2024-25 for the following particulars:

	Rs.
Interest on deposits with a company	10,000
University remuneration for working as examiner	6,000
Royalty for writing books	60,000
Claims to have spent Rs 20000 on writing these books	
Dividend declared by R company	6,000
Stake money on horse races	150,000
Horses are maintained by him and expenses on maintenance of these horses	240,000
Family pension received	36,000
Interim Dividend paid	3,000

21. From the profit and loss account given below, calculate the taxable business income of the partnership firm for the year ending 31st March 2024.

	Rs		Rs
Opening Stock	160,000	Sales	800,000
Purchases	560,000	Commission	65,500
Wages	50,000	Bank Interest	500
Salaries	40,000	Interest on Debentures	5,000
Bad debts	1,500	Closing Stock	175,000
Rent	10,000		
Interest on business loan	10,000		
General charges	15,000		
Income-tax	25,000		
Legal charges	8,000		
Insurance	2,500		
Conveyance	8,000		
Depreciation	30,000		
Bad debts reserve	5,000		
Net profit	125,000		
	10,50,000		10,50,000

Following information was deducted from the scrutiny of the accounts:

- (i) Salaries include payment of salary to partners A and B, Rs.24,000 and Rs.10,000 respectively
- (ii) General charges include purchase of furniture Rs.5,000
- (iii) Allowable depreciation on all assets Rs.28,000
- (iv) Allowable salary to A (working partner) Rs.24,000

APPLICATION BASED QUESTION:

(1 x 30 = 30)

22. Mr. X is a resident of Chennai [population more than 40 lakhs] sharing his financial details. His basic pay is Rs.16,800 p.m. Dearness Allowance which enters service benefits is Rs.7,200 p.m. Additional D.A is Rs.3,000 p.m. Bonus is one months' salary (Basic + D.A. which enters). He was provided which a rent free accommodation with cost of furnishing Rs.94,000. The contribution to RPF by the employer is 12% of salary.

He owns two houses. These are let out at Rs.6,000 p.a and Rs.10,000 p.a respectively. The municipal rental value is Rs.5,000 p.a and Rs.12,000 p.a respectively. The expenses of these houses are as follows:

	House A	House B
Municipal Taxes	Rs. 400 p.a	Rs. 1200 p.a
Ground Rent	Rs. 500 p.a	Rs. 800 p.a
Fire Insurance Premium	Rs. 200 p.a	Rs. 300 p.a
Interest on loan for purchase of house	Rs. 4820 p.a	Rs. 5760 p.a
Interest on mortgage (son marriage)	Rs. 1500 p.a	Nil

He had gifted Rs.2,50,000 to his daughter in law on 1.5.2022 and it was invested in 10% debentures of a company and interest accrues on first May every year.

His long term savings are his contribution to RPF Rs.2,400 per month; life insurance premium on this life Rs.6,000 per annum; deposits in NSS Rs.10,000.

During the year he won a lottery price and receive Rs 35,000. During the year he earned interest on debentures Rs.45,000.

His father who is the senior citizen is suffering from cancer a notified disease and his treatment is going on in a notified Hospital. Expenses incurred relating to this Rs.1,20,000 and Insurance claim was Rs.60,000.

During the year he sold his plot for Rs.3,00,000 which he purchased only one year ago for Rs.2,60,000.

Compute the following for the assessment year 2024-25:

- (i) Value of Rent Free Accommodation, Gross Salary Income and Income from Salary (10)
- (ii) Income from House Property (6)
- (iii) Income from Capital Gains and Income from Other Sources (5)
- (iv) Deductions under Section 80 and Taxable Income (4)
- (v) Rebate, CESS and Tax Payable (5)
