

M.Com(CS) DEGREE EXAMINATION, APRIL 2020
I Year II Semester
Income Tax

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Define the term "Assesse".
2. Who is a "Person" under the income tax act?
3. Mr. Dhana, left India for the first time on 17.12.2018 and returned back to India on 02.02.2019. Determine his residential status for A.Y 2019-2020.
4. What are "Tax Free Perquisites"?
5. Mr. Gokul is employed in Chennai. His pay particulars are as follows:

Basic salary	Rs.20,000 P.M
D.A	Rs.10,000 P.M. (forming part of salary)
HRA	Rs.8,000 P.M. (actual rent is 10,000 p.m.)

 Calculate taxable HRA.
6. Compute Gross Annual Value

Fair rent	Rs.76,000
Standard rent	Rs.79,000
Municipal value	Rs.70,000
Annual rent	Rs.84,000
7. From the following details find out income from other sources:

(a) Director's fees	Rs.5,000
(b) Dividend from Indian company	Rs.4,000
(c) Income from Horse race	Rs.7,000
(d) Royalty from books	Rs.9,000
(e) Dividend from co-operative societies	Rs.3,000
8. Mr. Loganathan, submits the following information relevant for the previous year ending March 31, 2019.

Particulars	Rs
Income from house property	-45,000
Business income	25,000
Short term capital gain	10,000

 Determine the net income.
9. What are the provisions of I.T Act with regard to deduction U/S 80D?
10. Compute gross total income :

Particulars	Rs
Business Income	83,000
Interest on debentures	49,000
Long term capital gains on transfer of gold	4,10,000
11. List out due date of filing of return.

12. What is Permanent Account Number?

Section B ($5 \times 5 = 25$) Marks

Answer any **FIVE** questions

13. Mr.JR has the following income for the AY 2019 – 2020.

- | | |
|---|--------------|
| a. Income from House property in London | Rs.40,000 |
| b. Profit from Business in Pakistan controlled from India | Rs.1,20,000. |
| c. Profit from Business in Madurai | Rs.1,10,000. |
| d. Agricultural income in India | Rs.50,000 |
| e. Income from salary received in India for service rendered in Germany | Rs.28,000. |

Compute the total Income of Mr.JR for the year AY 2019 -2020 if he is

- Resident.
- Not ordinary resident
- Non – resident.

14. Selvi. Ramila is employed at Mumbai. Her particulars of income for the A.Y 2019- 2020 are as follows:

- Basic salary Rs.8,000 P.M.
- D.A Rs.2,000 P.M. 40% is computed for retirement benefits
- Bonus Rs.8,000 P.A
- Commission Rs.4,500 P.A
- Entertainment Allowance Rs.500 P.M.
- FRV of the free house provided by the employer Rs.40,000 P.A. value of furniture provided Rs.20,000.

Find out the income from salary of Selvi. Ramila. Give the necessary workings.

15. Mr. JK owns a house property in Velachery and details for P.Y 2018 – 2019 are as follows

Rent received	Rs.2,75,000
Municipal valuation	Rs.2,70,000
Standard Rent	Rs.2,60,000
Fair Rent	Rs.2,72,000

Municipal tax paid 12% of Municipal value and sanitary charges 2% is paid by Mr.JK. Interest on loan Rs.31,000. Calculate let out income.

16. From the following profit and loss account of a merchant for the year ended 31st March 2019. Ascertain his taxable profit from business.

Particulars	Amount	Particulars	Amount
Office Salary	4,800	Gross Profit	1,35,532
General Expenses	2,550	Commission	1,205
Bad Debts	2,100	Discount	751
Reserve For Bad Debts	3,000	Sundry Receipts	202
Fire Insurance Premium	450	Rent of Buildings	52,640
Advertisement	2,500	Capital Gain	3,000
Interest on Capital	1,000		
Interest on Bank Loan	1,550		
Donation	3,875		
Depreciation	1,200		
Net Profit	1,70,305		
	1,93,330		1,93,330

The amount of depreciation allowed is Rs.1,000.

17. From the following particulars of income and loss, calculate the gross income of an individual after set – off of losses for the current assessment year.

Income from house property A	Rs.50, 000
Loss from house property B	Rs.80, 000
Income from interest on securities	Rs.2,00,000
Loss from a cycle business	Rs.2,00,000
Profit from speculation business	Rs.2,00,000
Loss from short term capital assets	Rs.60,000
Long term capital loss	Rs.25,000
Long term capital gain (Investment)	Rs.2,10,000

18. Saral earned Gross total income of Rs.5,00,000 in the previous year 2018 -2019 and made the following donations during the year.

- Rs.10,000 to Chief Minister's earthquake relief fund Gujarat.
- Rs.15,000 to National foundation for communal harmony
- Rs.20,000 to Municipal Corporation approved for promotion of family planning.
- Rs.25,000 to approved institution.
- Donations:

Clean ganga fund	Rs.12,000
SwachBharathKosh	Rs.8,000
National fund for control of Drug abuse:	Rs.15,000

Compute the amount of deduction admissible U/S 80G.

19. Describe the powers of CBDT.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Mrs.Gnanakumari is the purchase officer of a company in Madurai (Population 18 lakhs). She furnished the following particulars regarding her income for the previous year 2018 -2019.

- Net salary Rs.75,000, after deducting Rs.7,000 from the income for tax. Rs.12,000 as contribution to RPF and rent of bungalow Rs.3,600.
- Bonus Rs.6,000
- Travelling expenses, for which she was received Tour Allowance of Rs.25,000.
- Re-imbursement of medical bill Rs.7,500.(Treatment in Private Hospital)
- She lives in bungalow belonging to company. Its fair rent is Rs.2,750 P.M. the company has provided a Gardener and a Cook, each of whom is paid a salary of Rs.250 P.M and Rs.100 P.M respectively. The company has paid Rs.6,000 for electricity and Rs.1,200 per water bills.
- She has been provided with a 1.8 Lts. Car for official and personal use. The maintenance expenses, running expenses and driver salary are paid by the company.
- The following amounts were deposited in her provident fund account.
 - Own contribution Rs.12,000.
 - Company Contribution Rs.12,000.
 - Interest credited @8% P.A Rs.23,000.
- Deposit in her PPF Rs.16,000

Compute her taxable salary Income for the AY: 2019 - 2020

21. Kanchana owns 2 acres of agricultural land in an urban area of Erode which she sold on 30th Nov. 2018 @ Rs.50 lacs per Acre. Other particulars are:

- a. Cost of 2 acres of land purchased in 1977 Rs. 6 lakhs.
- b. F.M.V as 1.4.2001 Rs. 6.80 lakhs
- c. Selling expenses Rs. 1 lakhs
- d. She owns one residential house on 30.11.2018
- e. Date of filling of return of income is 31st July, 2019
- f. Kanchana purchased 10 acres of agricultural land in a Rural Area for Rs.10 lakhs on 4th June 2018.
- g. Kanchana purchased a piece of plot to construct a residential building for Rs.6 lakhs at Erode.
- h. Amount invested in bonds of national highways authority of India Rs.5 lakhs on 31st March 2019.

Compute the capital gain CII 2001 - 2002 = 100; 2018 -2019 = 280.

22. Sugan is in service Calcutta (population above 25 lakhs) drawing a monthly salary of Rs.5,000 P.M. she is also provided with rent free unfurnished flat, for which employer pays a rent of Rs.2,000 P.M. she contributes 10% of her salary to recognized provident fund. The interest @ 9% on her provident fund account for the year ended 31st March 2019 amounted to Rs.250. She is also the owner of a house which is let out a monthly of Rs.2,500. Her expenses for house were:

- | | |
|---|----------|
| a. Municipal taxes | Rs.3,000 |
| b. Interest on loan for construction of the house | Rs.6,600 |
| c. Repairs | Rs.500 |

She received interest on Govt. securities amounting to Rs.14,000 Gross. She has also received a share from a firm assessed as firm of Rs.5,000 and her share of firm's tax amounts to Rs.600. she also paid life insurance premium for a policy on her own life Rs.700. she paid Rs.200 to P.M. national relief fund. Compute the total income of Sugan. Interest income on Post office saving account is Rs.14,000.

23. Mention the various Income Tax Authorities.