

B.Com. DEGREE EXAMINATION, ODD SEMESTER 2020
III Year V Semester
Income Tax Law and Practice - I

Max.marks :25

Answer any **FIVE** questions ($5 \times 5 = 25$) Marks

1. Write short notes on:
 - (a) Gross Total Income
 - (b) Residential Status
2. From the following details relating to Mr. Perumal, compute the income chargeable under the head "salaries".

Basic Salary Rs.8,000 p.m
House Rent Allowance Rs.1,500 p.m
Commission Rs.8,000 p.a
Bonus Rs.6,000 p.a
Income tax deducted Rs.200 p.m
PF deducted Rs.350 p.m
Professional tax deducted Rs.40 p.m

He pays a House Rent of Rs.1,200 p.m at Coimbatore
3. Mr. Raman, an employee of a private company in Chennai supplies you the following particulars of his income.
 - (a) Basic Salary Rs.20,000 p.m
 - (b) DA: 50% of salary (50% of DA enters into pay for service benefits)
 - (c) Marriage allowance Rs.600 p.m
 - (d) Education allowance (Rs.90 p.m per child): Rs.270 p.m
 - (e) Bonus: One-month salary
 - (f) Entertainment allowance: Rs.1,200 p.m
 - (g) Employers and his contribution to RPF: 16% salary
 - (h) Advance salary: 2 months' salary
 - (i) Fixed medical allowance Rs.300
 - (j) Actual expenses on medicines Rs.4,500

He is provided with rent free house owned by the employer. Find his salary income for the Assessment Year 2020-21.
4. Mr. X has two houses. First house with municipal value of Rs.75,000 is kept by him for his own residence, and second whose municipal valuation of Rs.1,20,000 has been let out. Following are the expenses relating to these houses.

	First House (Rs.)	Second House (Rs.)
Municipal tax paid	12,000	20,000
Land revenue	200	250
Interest on loan taken for reconstruction	64,000	4,200
Fire insurance premium	900	2,400

Compute Mr.X's income from house property for the Assessment Year 2020-21.

5. The following is the Profit and Loss account of Mr. Mohan. Compute his taxable business income for the relevant year.

	Rs.		Rs.
To Opening stock	15,000	By Sales	1,80,000
To Purchases	40,000	By Closing stock	20,000
To Wages	20,000	By Gift from father	10,000
To Rent	46,000	By Income tax refund	3,000
To Repairs to car	3,000		
To Wealth tax paid	2,000		
To Medical expenses	3,000		
To General expenses	10,000		
To Depreciation	4,000		
To Advanced Income tax	1,000		
To Net profit	69,000		
	2,13,000		2,13,000

6. Following is the Profit and Loss account of Kesari Mallaya for the previous year 2019-20.

	Rs.		Rs.
To Salaries	25,650	By Gross profit	80,000
To Rent	1,000	By Bank interest	450
To Commission on sales	100	By Bad debts recovered	2,000
To Income tax	2,600	By Income from house property	4,800
To Commission paid to collect interest	25	By Interest on commercial securities	2,000
To Embezzlement by cashier	1,000		
To Municipal tax (house)	600		
To Bad debts	450		
To Repairs to house	1,625		
To Office expenses	9,180		
To Depreciation	5,000		
To LIC premium	1,320		
To Entertainment expenses	600		
To Net profit	40,100		
	89,250		89,250

Allowable depreciation on the assets is Rs.4,500. Compute his taxable business income for the Assessment Year 2020-21.

7. Write short notes on:

(a) PAN

(b) Self-Assessment