

B.Com DEGREE EXAMINATION, EVEN SEMESTER 2021
III Year V Semester
Income Tax Law and Practice - I

Max.marks :25

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

1. Write the meaning of the terms (a) Person (b) Assessee and (c) Assessment Year.
2. Mr. Arun Kumar went to Canada for employment purpose for the first time on 15th April 2017. He returned to India on 1st July 2018 and stayed for 100 days. He came again to India on 1st September 2019 and went back to Canada on 1st February 2020. Determine his residential status for the assessment year 2020 – 21.
3. Mr. Arumugam gives the following details of salary income
 Basic Salary Rs.20,000 p.m. Dearness Allowance Rs.10,000 p.m. (forming part)
 Bonus Rs.20,000 p.a. House Rent Allowance Rs.6,000 p.m.
 House rent paid (at Chennai) Rs.8,500 p.m.
 Commission on sales at 10% p.a. Rs.50,000
 Compute his taxable salary for the assessment year 2020 – 21.
4. Deepak Mishra owns and let out his house property at Chandigarh. The details of the house are as follows

| Particulars | Rs. | | Rs. |
|---------------------|---------------|-------------|---------------|
| Municipal Valuation | 1,32,000 p.a. | Fair Rent | 1,30,000 p.a. |
| Standard Rent | 1,44,000 p.a. | Annual Rent | 1,56,000 p.a. |
| Municipal tax paid | 13,200 p.a. | | |

The house is vacant for one month during the previous year. Compute the income from house property for the assessment year 2020 – 21.

5. Saranya, Sales Manager of a Pharma Company in Chennai receives the following emoluments. Compute the taxable salary for the assessment year 2020 – 21.
 Basic Salary Rs.35,000 p.m.
 Dearness Allowance Rs.20,000 p.m. (30% forming part)
 Employer Contribution to RPF 14% of basic
 Interest on accumulated RPF balance @ 9.5% p.a. Rs.10,750
 House Rent Allowance received Rs.8,000 p.m.
 House Rent paid Rs.9,000 p.m.
6. Hameed owns three houses at Madura. The details of the three houses are

| Particulars | House I | House II | House III |
|-----------------|---------------|---------------|---------------|
| Fair Rent | 1,20,000 p.a. | 1,44,000 p.a. | 3,00,000 p.a. |
| Municipal Value | 1,10,000 p.a. | 1,32,000 p.a. | 2,44,000 p.a. |
| Standard Rent | NA | NA | 2,89,000 p.a. |
| Municipal Tax | 10,000 p.a. | 12,000 p.a. | 23,000 p.a. |

House I and House II are used for own residence. House III is let out throughout the year at a monthly rent of Rs.25,000. He paid interest Rs.30,000 p.a. for each house. The loan was taken for the purpose of construction of the houses. Compute his income from house property for the assessment year 2020 – 21.

7. Compute the total income of Mr. Ravi Chandran if he is
 (a) Ordinarily Resident (b) Not Ordinarily Resident (c) Non- Resident from the following details relating to the previous year 2019 – 20

| | |
|---|-----------|
| a. Salary for a job at Chennai | Rs.80,000 |
| b. Profits from business in Canada (business controlled from India) | Rs.24,000 |
| c. Income from house property in Delhi | Rs.48,000 |
| d. Income from business in Australia (50% received in Delhi) | Rs.50,000 |
| e. Agricultural income from Pakistan | Rs.24,000 |
| f. House property income from Indonesia (60% remitted to India) | Rs.12,000 |