

**B.Com.(CS) 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. Kimani, a Japanese national discloses the following particulars of his income during Previous Year 2019-2020.

Particulars	Rs.
Income from house property in Japan, remitted by tenant to him in India through State Bank of India	4,00,000
Loss from Business in India	(3,00,000)
Profits from Speculation business in India	2,00,000
Profits from business in Japan, controlled and managed from India but being received in Japan	20,00,000
Interest received on bonds of Indian Companies outside India	1,45,000
Net dividends received from Japanese Companies outside India [ <i>Tax Dividend</i> – 15,000]	2,35,000
Interest received on compensation of land, acquired by Government of India	2,35,000

Determine the Gross Total Income for the PY 2019 - 20 if Kimani is

- (a) Ordinarily Resident (b) Not Ordinarily Resident (c) Non Resident
2. Calculate the perquisite value of the expenditure on medical treatment, which is assessable in the hands of an employee of a company, inclusive of the conditions to be satisfied:
- Gross Total Income, inclusive of salary Rs 2,00,000
- (a) Amount spent on treatment of the employee's wife in a hospital maintained by the employer Rs. 20,000
- (b) Amount paid by the employer on treatment of the employee's child in a hospital Rs. 14,000
- (c) Medical insurance premium reimbursed by the employer on a policy covering the employee, his wife and dependent parents Rs. 7,000
- (d) (i) Amount spent on medical treatment of the employee outside India Rs. 2,50,000 (ii) Amount spent on travel and stay abroad Rs. 90,000
- (e) Amount spent on travel and stay abroad of attendant Rs. 60,000

3. Mr. Rohan owns two houses.

Their particulars for the Previous Year 2019-2020 are given below:

Particulars	House I	House II
	Self- Occupied	Let out
	Construction of the House Completed on 1.4.2018	
Municipal Valuation	10,00,000	15,00,000
Fair Rent	12,00,000	14,00,000
Standard Rent	8,00,000	16,00,000
Annual Rent received /receivable	Nil	18,00,000
Municipal Taxes paid	1,20,000	150,000
Insurance premium paid	10,000	15,000
Repair expenses	1,50,000	2,00,000
Unrealised rent-conditions of Rule 4 satisfied	Nil	4,50,000
Interest on loan for the pre-construction period	3,00,000	4,50,000
Interest on loan for the post construction period for the PY year 2015-2016	1,00,000	1,50,000
Date of borrowing the loan	31.12.2015	31.12.2015
Certificate of interest attached to the return	No	No

Determine the Income from House Property for the Assessment Year 2020-2021.

4. Cash Book of M/s. Brinda Rubber for the FY 2019 20 is given below:

#### Cash Book

Receipts	Rs.	Payments	Rs.
To Balance b/d	15,750	By Salaries & Wages A/c	9,78,000
To Sale of entrifuged Material	14,45,800	By Electricity Charges A/c	32,500
To Interest on Bank FD	38,000	By Printing & Stationery A/c	2,890
		By Other Expenses A/c	28,110
		By Amount deposited to Special A/c [specified by Rubber Board and approved by Central Govt.]	2,00,000
		By Amount deposited to a account not specified by Central Govt.	2,00,000
		By Bank Charges A/c	1,550
		By Balance c/d	56,500
	14,99,550		14,99,550

Additional Information:

i. Deprecation allowed u/s 32 of Income Tax Act is Rs. 28,200 but depreciation to be charged to the Profit & Loss A/c is Rs. 31,550.

ii. Unabsorbed business loss brought forward is Rs. 30,000 [A.Y.2018 – 19].

You are required to calculate the Taxable Business Profit for the Assessment Year 2020-21.

5. Sri Sen went to England from India for higher education on 1st December, 2016. So long he was in England, he had a residence in India. In winter vacations, he came twice to India. First time he came on 1st January, 2018 and stayed for 20 days, and second time he came on 15th December, 2018 and stayed for 25 days. After completing the education, he came back to India forever on 30th December, 2019.

Determine the residential status of Sri Sen for the A.Y. 2020-21.

6. List out the Incomes exempt from Tax.
7. What is PAN? Explain the importance of quoting PAN.