

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)**

**(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.**

M.Com.(A&F) END SEMESTER EXAMINATIONS APRIL - 2022

SEMESTER - I

20PAFCT1002 - Income Tax Law and Practice - I

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Explain the concept of Income and give its features.
2. Compute the tax liability of Mr.A who is 65 years old. His non-agricultural income is ₹3,12,000 and net agricultural income is ₹70,000 for the assessment year 2021-22.
3. From the figures given below calculate the Expected Rental Value in each case separately:

Rental Value	Case A (₹)	Case B (₹)	Case C (₹)
MRV	30,000	30,000	30,000
FRV	36,000	36,000	36,000
Standard Rent	42,000	33,000	42,000

4. Explain the concept of deemed profits u/s 41.
5. Service provided by an individual contractor 'A' to a partnership firm 'B' and the following payment is being made to the contractor during the year :-
First payment – ₹32,000
Second payment – ₹24,000
Third payment – ₹60,000
6. Mr.Ram, an Indian citizen leaves India for the first time on 31st May 2016 and comes back on 15th May 2019. He again leaves India on 10th June 2020 to come back on 14th January 2021. He is living in India since then.
Determine his status for the previous year 2020 – 21.
7. Mr. Vijay retired on 31.12.2019 and his pension was fixed at ₹3,600 p.m. He got 3/4th of the pension commuted for which he received ₹1,80,000 from his employer, a Ltd. Co. Find out the taxable amount of commuted value of Pension if:
(a) he gets gratuity (b) he does not get gratuity.

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8. Calculate ARV from the particular given below:

MRV ₹60,000 p.a Actual Rent ₹7,000 p.m.

FRV ₹66,000 p.a. Standard Rent ₹69,000 p.a.

(a) House was vacant for full year during the previous year 2020 – 21.

(b) House was vacant for two months during the previous year 2020 – 21.

(c) Actual Rent of the house is ₹4,000 p.m. and was vacant for two months.

Section B

Part A

Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Compute the tax liability of Mr.A who is 65 years old. His non-agricultural income is ₹3,12,000 and net agricultural income is ₹70,000 for the assessment year 2021-22.

10. From the particulars given below compute Salary Income of Mr. Imran.

₹

Salary @ ₹40,000 p.m 4,80,000

Bonus equal to one month salary

Entertainment allowance @ ₹5,000 p.m.

Free Gas and water supply 5,000

He is provided with a rent free accommodation in Delhi owned by the employer the FMV of which is ₹10,000 p.m. (Population of Delhi is above 25 lakhs).

He is provided with the facility of a 1.8 cc car which he uses both for private and official purposes.

He has engaged a domestic servant @ ₹1,000 p.m. and his salary is being paid by his employer.

He is provided the facility of a free lunch in the office valued @ ₹100 per day for 250 days in the previous year.

The employer is maintaining a holiday home at Shimla and employee stayed there for 10 days free of cost. Its cost to the employer shall be ₹10,000.

During the year employee and his wife travelled by Air to Mumbai to attend a family function and air tickets worth ₹24,000 were purchased by him through credit card provided to him by the employer.

Employer and employee both are contributing @ 14% in employee's recognised provident fund.

11. Mr.Seenu owns a house property at Cochin. It consists of 3 independent units and information about the property is given below:

UNIT 1: Own residence

UNIT 2: Let Out

UNIT 3: Own Business

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	₹
MRV	1,20,000 p.a.
FRV	1,32,000 p. a.
Standard Rent	1,08,000 p. a.
Rent	3,500 p.m.
Unrealised Rent	for three months
Repairs	10,000
Insurance	2,000
Interest on money borrowed for the construction of property	96,000
Municipal Taxes	14,400
Date of Completion	1.11.2015.

Compute Income from House Property.

12. From the following Profit and Loss Account of a manufacturer, calculate the income under the head 'Profits and Gains of Business or Profession for the year ending on 31st March.

Particulars	₹	Particulars	₹
Salaries to employees	1,95,000	Gross Profit	5,80,000
Advertisement expenses (in Cash)	24,000	Interest on securities	14,000
General expenses	16,000	Income from house property	25,000
Entertainment expenses	22,000	Bad debts recovered (allowed earlier)	12,000
Bad debts	1,500		
Drawings by the proprietor	24,000		
GST (due and paid on 1.7.2019)	6,000		
Interest on proprietor's capital	7,000		
Repairs	2,500		
Rent	21,000		
Legal expenses	5,000		
Depreciation	15,000		
Bonus (due)	6,000		
Bonus to the proprietor	4,000		
Car purchased	72,000		
Expenses on car during the year	12,000		
Donations	2,000		
Provisions for bad debts	6,000		
Net Profit	1,90,000		
	6,31,000		6,31,000

From the examination of books of accounts, the following other information's are available:

- Advertisement expenses were spent on insertions in newspapers.
- ₹3,000 were spent on purchase of land and are included in legal expenses.

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- c. Half of the repair expenses were on let-out building.
- d. Depreciation allowable on all assets including car is ₹14,400.
- e. Bonus was paid to employees on 30.6.2021 and date of filing of return is 31.7.2021.

Part B

Compulsory question (1 × 10 = 10 Marks)

13. Discuss in detail deduction of tax at source for various expenses.
