

**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.(CS) - END SEMESTER EXAMINATIONS APRIL - 2022

SEMESTER - II

21PMCCT2006 - Income Tax

Total Duration : 3 Hrs.

Total Marks : 60

Section A

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

1. Determine the residential status of Mr.X for the previous year 2020-21 who left India for the first time on 15.09.2017 and come back on 01.09.2017. He again left for Dubai on 15.06.19 to come back on Feb 14, 2020 to settle in India forever.
2. Sri. Varadhan, an employee of T.V.S. Ltd. draws Rs.80,000 as basic pay, Rs.30,000 as dearness allowance (Half of which forms part of salary) and Rs.7,000 as bonus. Besides, the company provides a rent free unfurnished house in Pudukkottai (population 8 lakhs) where he is presently posted. The house is owned by the company. Determine the taxable value of the perquisite if fair rent of the house is Rs.20,000 per annum.
3. Mr. A is employed at Erode on a salary of Rs.3,000 per month. The employer is paying HRA of Rs.350 but actual rent paid by him (employee) is Rs.500 p.m. Compute his taxable HRA.
4. Mr. Murugan furnishes the following particulars of his income for the PY 2020-21. Compute the income from other sources for the AY 2021-22.

Particular	Rs.
Dividend (gross) from Ashok Leyland Ltd.	50,000
Interim Dividend from TVS Ltd.	10,000
Dividend from a co-operative society	10,000
Dividend from a foreign company (Net)	52,000
Dividend from UTI	6,000

5. From the following, compute the taxable income under the head income from business, profit before adjusting the following items is Rs.5,50,000.

Particular	Rs.
Administration expenses	10,000
Trade expenses	5,000
House hold expenses	3,000
Discount allowed	4,000
Income tax	400
Provision for bad debts	2,000
Bad debt	3,000
Donation to P.M. National relief fund	4,000
Legal Fee	200

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6. Mrs. Rajamani furnishes the following particulars :

	Shares in 'A' Ltd (unlisted)
Date of purchase	1.2.20
Date of sale	5.10.20
Cost of purchase	Rs.25,000
Expenses on purchase	Rs.500
Sale value	Rs.50,000
Expenses on sales	Rs.1,000

Compute capital Gain.

7. Mr. Sreenivasan, submits the following information, relevant for the previous year ending March 31, 2021.

	Rs.
Income from business	
Business I	18,000
Business II	-30,000
Income from other sources:	
Interest on securities	-12,000
Bank interest	16,000
Lottery winnings	60,000

Determine the net income.

8. Mr. Nereka's PY gross total income is Rs. 4,50,000. He has made the following donations. Calculate his net income.

	Rs.
Jawaharlal Nehru Memorial Fund	12,000
Rajiv Gandhi Foundation	8,000
Africa Fund	15,000
Indira Gandhi Memorial Fund	14,000

Section B

Part A

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

9. Mr. Ramanathan is General Manager of a company in Madras and draws Rs.8,500 per month as salary. He is provided with a house for which the company pays Rs.60,000 P.A. as rent. Furniture and fittings costing Rs.30,000 are also provided. He is also provided with a Car of 1.6 Lts. Rating by his employer, and the car is used both for private and official purposes. All expenses including salary of driver are born by the employer. The employer has also provided him services of sweeper @ Rs.140p.m. a watchman @ Rs.160p.m. and Gardener @ 600 p.m. He is a member of recognized provident fund to which he contributes 12% of salary and a similar contribution is made by the employer.

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Interest on provident fund balance at 14% credited to his provident fund account amounted to Rs.4,200. His son is studying in an engineering college and the expenditure of Rs.24,000 p.a on this account was met by the employer. Compute his salary income for the previous year 2020-21. Find QA u/s 80C. LIC Premium paid on own life Rs.80,000, own contribution to super annuation fund Rs.60,000.

10. Kumar a lawyer by profession keeps his cash book as per cash system of accounting. The following is the summary of his cash book for the year ended 31st March 2021.

Particular	Rs.	Particular	Rs.
To Balance	5,000	By Rent of Chamber	2,400
To fees	35,000	By car expenses	3,600
To Remuneration as examiner	3,000	By household expenses	12,000
To interest on bank deposits	2,500	By local taxes for the house	1,200
To rent from house property	8,000	By repairs of the house	4,000
To Dividends	1,600	By LIC premium for self	4,800
		By cost of books for profession	4,000
		By medical treatment of self	5,000
		By balance	18,100

Additional information:

- 1/3 of the house is used by Kumar for his own residence.
- Kumar is insured for Rs.40,000.
- Kumar has to get medical treatment for an eye ailment caused by intensive study of law books.
- $\frac{1}{2}$ of the car expenses relate to personal use of the car by kumar.

Depreciation computed at the prescribed rate on the written down value of the car is Rs.2,000. Compute his income from profession.

11. Compute the amount of capital Gains exempted under section 54 and capital gains chargeable to tax in relation to the following transactions. Mr. Vasan sells a residential house property in Chennai for Rs.99,00,000 on April 25, 2020 which was acquired by him on May 10,2012 for Rs.5,00,000. In August 2020, he purchases a house in Madurai for Rs.15,00,000 and another house for Rs.5,00,000 at Tiruchi. On June 30,2021, Vasan sells the house property in Madurai for Rs.20,00,000. CII for 2011-12 is 184, for 2020-21 is 301.

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12. From the details given below, compute the amount deductible under section 80-G.

	Rs.
Donation to approved Charitable Trust.	50,000
Donation to a local authority for family planning.	60,000
Adjusted gross total income.	5,00,000

Part B

Compulsory question (1 × 10 = 10 Marks)

13. Explain the Different types of Assessments?
