

**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.**

B.Com.END SEMESTER EXAMINATIONS NOVEMBER-2022

SEMESTER - V

20UCOET5001 - Income Tax Law And Practice - I

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

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

1. Define the terms Income, Person and Assessee as per income tax act 1961.
2. List out any five partially exempted allowances under section 10.
3. Ram a foreign national came to india for the first time on June 15, 2016. During the financial years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, he stays in India for 120 days, 115 days, 15 days, 191 days, 124 days and 80 days respectively. Determine his residential status for the assessment year 2022-23.
4. From the particulars given below, calculate net annual value for the previous year ending on 31-3-2022.
 - A. Municipal rental value [date of completion is 1-7-2020] Rs.60,000 p.a
Actual Rent received Rs.72,000 p.a
Taxes levied by local authority and paid by owner
 - a) House tax Rs.6,000 p.a
 - b) Sanitation cess Rs.1,000 p.a
 - B. Date of completion 1-6-2021
Rent Received @ Rs.4,000 p.m - Rs.40,000
Municipal Rental Value - Rs.36,000 p.a
Municipal taxes are 10% of MRV
He paid 50% of taxes during the year 2021-22.
5. Explain the concept of deemed profits u/s 41.
6. Raja and sons a partnership firm is running a sweets shop and particular of his income and expenditure for the previous year 2021-22 are as follows:

	Rs
Total receipts from sale of sweets (through electronic clearing system)	85,00,000
Total expenditure on purchase of all materials required to prepare sweets	56,50,000
Salary and wages paid to workers, etc	15,60,000
Rent of shop, shed etc	3,40,000
Depreciation	60,000
Interest and salary to working partners (paid as per sec. 40(b))	3,20,000

Compute firm's total income u/s 44 AD.

Contd...

7. Classify the deductions under section 80 C.
8. Examine the procedure of filing of returns under income tax act 1961.

Section B

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Following are the particulars of income of Mr.Ram for the assessment year 2022-23 :
 - i. Income from business in Mumbai Rs.80,000
 - ii. Income from house property in Pune Rs.20,000
 - iii. Pension from former employer for service rendered in India but received in U.K Rs.24,000
 - iv. Profit from business in UK but controlled from Mumbai out of this Rs.20,000 were received in India Rs.1,60,000
 - v. Dividend from an Indian company but received in U.K. Rs.18,000
 - vi. Income from agriculture in Nepal : received there but later on remitted to India Rs.60,000
 - vii. Interest on bonds issued by U.K. Government out of which 50% is received in India Rs.40,000
 - viii. Past untaxed income of 2018-19 to 2020-21 brought in to India during 2021-22 Rs.4,00,000
 - ix. Income from house property in U.K. and donated there to a notified charitable institution Rs.20,000

Compute the total income for the assessment year 2022-23 if Mr.Ram is :

 - [a] Resident
 - [b] Resident but not ordinarily resident ; and
 - [c] Non resident
10. Mr.Ramesh Swain is employed at Hyderabad at a Basic Salary of Rs.25,000 p.m. and he is also getting following allowances:
 - a. Dearness Allowance Rs.2,000 p.m.
 - b. Lunch Allowance Rs.1,000 p.m.
 - c. Servant Allowance (he is paying Rs.1,200 p.m. to a servant)Rs.1,000 p.m.
 - d. Transport Allowance Rs.2,000 p.m.
 - e. Educational allowance @ 200 p.m. per child for three children
 - f. Hostel Allowance to one child Rs.500 p.m.
 - g. Conveyance Allowance (he does not spend anything)Rs.800 p.m.
 - h. Overtime Allowance Rs.2,000 p.m.
 - i. Officiating Allowance Rs.2,000 p.m.
 - j. Cash Allowance Rs.1,200 p.m.
 - k. Entertainment Allowance Rs.2,000 p.m.
 - l. Medical Allowance Rs.800 p.m.
 - m. City Compensatory Allowance Rs.600 p.m.
 - n. House Rent Allowance Rs.5,000 p.m.

He is having a family house at the place of his posting but he is living in a rented house and is paying a rent of Rs.7000 p.m. Find out his Gross salary:

 - i) If he does not opts to be taxed u/s 115BAC i.e, under new slab rates;
 - ii) If he opts to be taxed u/s 115BAC.
11. Sh.H.Mukherjee constructed a building on 30th June, 2014. It had two flats of equal dimensions. One flat was let out to a tenant for residential purpose on a monthly rent of Rs.1,000 and other flat was let out to a friend for residential purposes on a monthly rent of Rs.1,000. Sri Mukherjee paid the following expenses during the year ended 31st March, 2022.

Municipal taxes @ 10% on municipal value of Rs.20,000;

Contd...

SEMESTER - V
20UCOET5001 - Income Tax Law And Practice - I

Fire insurance premium @ 2% of Municipal value.

Rent Collection charges in case of 1st flat Rs.600.

Repairs and alterations Rs.1,000.

Interior decoration charges Rs.2,000.

Legal charges for recovery of rent in case of 1st flat Rs.1,000.

Interest on loan taken for renovation of 2nd flat Rs.4,200.

Conservancy tax in addition to municipal tax Rs.300.

Find out the income of Sh.H.Mukherjee under the head "Income and House Property" for the assessment year 2022-23

12. Profit and loss Account of M/s Raju and Company

	Rs.		Rs.
To General expenses	1,07,000	Gross profit	5,40,000
Fire insurance premium	2,000	Bad debts recovered but disallowed earlier	4,000
Bad debts	1,000	Interest from Government securities	4,000
Salaries	1,65,000	Rent received from employees	12,000
Advertisement (in cash)	22,250	Interest from debtors for delayed payment	6,000
Proprietor's salary	1,12,500		
Interest on capital	2,000		
Income-tax	1,000		
Depreciation	2,000		
GST (due)	5,000		
Advance income-tax paid	1,000		
Donations	500		
Motor car expenses	750		
Municipal taxes of quarters let to employees	5,000		
Net profit	1,39,000		
	5,66,000		5,66,000

General expenses include Rs.4,000 paid as compensation to an old employee whose services were terminated in the interest of the business and Rs.2,200 by way of help to a poor student.

Depreciation calculated according to the rates comes to Rs.2900. GST was paid on 1-5-2022.

Date of filing of return is 31-7-2022. 50% of Motor-car expenses are for proprietor's personal use.

Compute business income.

13. Assess the types of Income tax Assessment.
