

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 APRIL-2023

SEMESTER - V

20UCOET5001 - Income Tax Law and Practice - I

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Explain any five-income exempted from tax.
2. On 1.06.2019 'B' a Malaysian citizen left India after a continuous stay of 10 years. During the financial year 2020 – 2021, he came back to India and stayed for a period of 46 days and left. In the previous year 2021 -22, he came back to India on 10.10.2021 and stayed here thereafter for one year. Determine 'B's residential status for the assessment year 2022 -2023.
3. Mr.Sharma retires on 30.09.2021 after 20 years of service and received Rs.96,000 as leave encashment for 12 months. His employer allows him $1\frac{1}{2}$ months pf leave for every one year of service. He has already encashed leave for 18 months. His salary was Rs.6,000 and from 1.04.2021 it was raised to Rs.8,000p.m. Compute the taxable amount of leave encashment.
4. Mr.Rajendran, an employee of Audco Ltd., received Rs.3,00,000 as gratuity. He is covered by the payment of gratuity Act,1972. He retires on 15.11.2021, after rendering a service of 32 years and 7 months. At the time of retirement his monthly basic salary and DA were Rs.3,000 and Rs.1,000 respectively.
5. From the following information you are required to find out the gross annual value of a let out property.

Particulars	Amount
Municipal rental value	96,000
Fair rental value	1,16,000
Annual rent	1,18,000
Standard rent	1,15,000
Loss due to vacancy	8,000

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6. Mr.R has got house A. The particulars for the previous year 2021 – 2022 are given below:

Particulars	Amount
Fair rent	90,000
Standard rent	70,000
Municipal value	80,000
Municipal taxes paid by the owner	8,000
Annual rent	96,000
Annual rent received	80,000
Vacancy period	2 months

Determine the annual value for the previous year 2021 –2022.

7. Mr.Rajan submits the following particulars of his business from which you calculate the income from business.
- Net profit as per profit and loss account (after charging the following) Rs.1,25,000.
- Sales tax Rs.20,000 and Income Tax Rs.55,000.
 - Bad debts provision Rs.3,000.
 - Commission to procure business order Rs.8,000.
 - Interest on capital Rs.38,000.
 - Depreciation Rs.4,000 (but as per tax rules Rs.2,000 only)
8. Explain the types of assessment.

Section C

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

9. Explain the cannon of taxation.
10. Mr.Suresh is an employee of a company in New Delhi. He submits the following particulars of his income for the financial year 2021 – 2022.
- Salary Rs.18,000 p.m.
 - Bonus one month salary.
 - Contribution to recognised provident fund 15% of salary, the company also contributing equal amount.
 - Interest credited to P.F at 10% p.a. amounted to Rs.20,000 during the year.
 - He received entertainment allowance from the company at Rs.2,000 per month, which he claims that he has fully spent for that purpose.
 - He received a gift worth Rs.12,000 from his employer.
 - Deposit in PPF Rs.90,000.
 - Deposit in NSC Rs.40,000.

11. Find out the gross annual value in the case of the following properties for the assessment year 2022 – 2023.

Particulars	A	B	C	D	E
Municipal value	1,20,000	1,22,000	1,20,000	1,60,000	2,80,000
Fair rent	1,30,000	1,32,000	1,29,000	1,56,000	3,00,000
Standard rent	1,19,000	1,18,000	1,26,000	1,70,000	2,40,000
Annual rent	1,44,000	1,14,000	1,44,000	1,44,000	2,88,000
Vacancy period	1 month	1½ months	5 months	3 months	10 months
Loss due to vacancy	12,000	14,250	60,000	36,000	2,40,000

12. Examine the procedure of filing of return of income.
13. Mr. Singh is practising as a chartered accountant in Delhi. He deposits all receipts in his bank account and pays all expenses by cheque. Following is the analysis of his bank account for the year ending 31.03.2022. Compute his income from profession.

Receipts	Amount (Rs.)
Consultation	4,00,000
Audit fees	90,000
Appellate tribunal appearance	50,000
Presents from clients	20,000
Interest on government securities	60,000
Rent received from house	70,000
Loan from client	1,00,000
Miscellaneous receipts	7,000
Payments:	
Computer purchased	50,000
Stipend to articled clerks	24,000
Office expenses	30,000
Office rent	15,000
Salaries and Wages	18,000
Printing and Stationery	5,000
Subscription to C.A Institute	800
Purchase of books for professional use (Annual publication)	10,000
Travelling expenses	12,000
Interest Loan	15,000
Donation to NDF	20,000

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Additional information:

1. Travelling expenses are incurred for profession.
2. Computer is purchased on 1.08.2021 and used for office purpose.
3. 50% of the books were purchased in August 2021.
4. $\frac{1}{2}$ of travelling expenses are disallowed.
5. $\frac{1}{2}$ of the loan from client is used for personal purpose.
