

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 - VI

**20UCOET6003 - Income Tax Law and Practice - II**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

### Section B

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

- Mr. Ram purchased a house on 1.11.2004 for Rs.2,00,000 and it was improved in 2012-13 at a cost of Rs.1,00,000. What will be indexed cost during 2021-22 if CII for 2004-05 is 113; 2012-13 is 200 and for 2021-22 is 317.
- Compute the income under the head income from other sources. Mrs. X gives you the following particulars in respect of her income for the financial year 2021-22.

**Rs.**

- |  |       |
|--|-------|
| a) Interim Dividend                              | 4,000 |
| b) Dividend from a company on equity shares      | 3,000 |
| c) Dividend on preference shares                 | 4,000 |
| d) Directors fees                                | 1,800 |
| e) Ground rent                                   | 3,000 |
| f) Income from sub-letting                       | 6,000 |
| g) Dividend from foreign company (net)           | 5,000 |
| h) Interest on National Defence Gold Bonds, 1980 | 3,000 |

- Predict to Mr. Vivek transfers his self-acquired property yielding an annual income of Rs.2,00,000 to his Hindu undivided family, consisting of Vivek, Mrs. Vivek, his major son Ravi and Minor son Narayanan.
  - How the income is treated under Income Tax Act 1961?
  - If the family is partitioned equally subsequently how the income is treated?
- Prepare the total income from the following particulars.

**Rs.**

- |   |          |
|---|----------|
| Loss from Business                        | 4,00,000 |
| Depreciation allowance for the AY 2022-23 | 80,000   |
| House property income                     | 8,00,000 |
| Items carried forward from earlier years: |          |
| Business loss of AY:2021-22               | 4,80,000 |
| Unabsorbed depreciation                   | 2,00,000 |

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5. What is casual income? Give four examples of casual income.
6. From the following particulars, compute the tax liability of Mr.X for the assessment year 2022-23.

	<b>Rs.</b>
Business Income	2,54,300
Long term capital gain	30,000
Winnings from Horse race	20,000
Amount deposited in PPF	20,000
NSC VIII issue purchased	10,000

7. Illustrate Shri.Kumar income if he had been paying the loan from 2011-12. Shri.Kumar had taken a loan from bank for his higher studies. He started repaying the loan with effect from 1.4.2018 and during 2021-22 he repaid Rs.50,000 as principal amount and Rs.10,000 as interest. His gross total income for previous year 2021-22 is Rs.2,40,000. Compute his income for the assessment year 2022-23.
8. Examine the steps involved in E-filing.

### **Section C**

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

9. Compute long term capital gain. X purchases a house property for Rs.26,000 on May 10, 1962. He gets the first floor of the house constructed in 1967-68 by spending Rs.40,000. He dies on September 12, 1978. The property is transferred to Mrs.X by his will. Mrs.X spends Rs.30,000 and for Rs.26,700 during 1979-80 and 2007-08 respectively for alteration/reconstruction of the property. Mrs.X sells the house for Rs.45,00,000 on March,15,2022(brokerage paid by Mrs.X is Rs.11,500). The fair market value of the house on April 1,2001 is Rs.1,60,000. CII for 2001-02 = 100, for 2007-08 = 129 and for 2021-22 = 317. Mrs.X received and forfeited Rs.10,000 as advance money during 91-92.
10. Compute Income from other sources of Muruga for the previous year 2021-22.
  - i) Dividend on equity share Rs.600.
  - ii) Dividend on preference share of Rs.3,200.
  - iii) Income from letting of building and machinery Rs.17,000.
  - iv) Interest on bank deposit Rs.2,500.
  - v) Director's fees Rs.1,200.
  - vi) Ground rent Rs.600.
  - vii) Undisclosed income Rs.10,000.
  - viii) Lottery income (Gross) Rs.10,000.
  - ix) Advance money received and forfeited during negotiation to sell a capital asset Rs.70,000. During 2021-22, he claims the following deductions. Depreciation on building Rs.4,000 and insurance on machinery Rs.100.

11. Determine gross total income of Mr.Singh and deal with the carry forward of losses. He is a resident of India, submitted the following particulars of his income for the assessment year 2022-23.

	<b>Rs.</b>
i) Income from house letout (computed)	9,500
ii) Profit from Radio business	19,600
iii) Profit from Electric business	1,800
iv) Speculations Income	1,900
v) Short term capital gains	3,200
vi) Long term capital gains (Gold)	9,250

Current year's depreciation relating to electric goods business Rs.2,500.

The following items have been brought forward from preceding assessment year.

	<b>Rs.</b>
i) Loss from cycle business discontinued during the previous year 2019-20	3,900
ii) Loss from electric business	2,700
iii) Loss from Radio business	1,900
iv) Unabsorbed depreciation of electric business	1,000
v) Unabsorbed family planning expenditure	2,600
vi) Speculation loss of the year 2019-20	3,200
vii) Short term capital loss from the year 2010-11	4,100
viii) Long term capital loss from the year 2014-15	64,500

12. Apply deductions allowable under section 80G. Mr.Seetharam Shetty furnishes the following information in respect of Donations made by him in the previous year ending of 31<sup>st</sup> March,2022.

Donation to National Defence Fund Rs.4,000.

Donation to Africa (Public contribution) fund Rs.3,000.

Donation to Rajiv Gandhi foundation Rs.2,000.

Donation to Prime Minister's National Relief Fund Rs.5,000.

Donation to approved charitable institution Rs.10,000.

Donation to approved institution Rs.5,000.

Donation to poor boy for higher education Rs.500.

Donated books worth Rs.300 to a local recognised school.

Donation for the construction of a guest house for a particular religious' community Rs.1,000.

Donation for a political party Rs.500.

His gross total income is Rs.1,47,000 which includes Income from other sources amounting Rs.10,000. He has paid a mediclaim premium of Rs.10,000 during 2021-22.

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13. Ascertain the net tax payable by Krishnamoorthy for the AY:2022-23.
- Salary income Rs.1,00,000.
  - Rent from house (per annum) Rs.58,000.
  - Municipal Taxes paid during the year Rs.6,000.
  - Short term capital gain on sale of listed equity shares on 1-9-21. (subject to STT) Rs.5,000.
  - Long term capital gain on sale of gold Rs.3,50,000.
  - Winnings from lottery (Gross) Rs.50,000
  - Interest on commercial securities Rs.6,000.
  - Interest on Government securities Rs.2,000.
  - Interest on debentures of a listed Co. Rs.1,50,000.
  - LIC on own life policy (sum assured Rs.2,00,000) Rs.20,000.
  - Crossword puzzle winnings Rs.80,000.

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