

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

**SEMESTER - VI**

**18UBCCT6A19 - Income Tax Law and Practice – II**

**Total Duration : 2 Hrs 30 Mins.**

**Total Marks : 60**

**Section A**

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

1. What are Capital Assets? Mention some of its kinds.
2. Explain the provisions for grossing up of income.
3. Mr.Paneerselvam owned two motor cars which were mainly used for business purposes. The written down value on April 1, 2021 of these cars is Rs.1,81,000. The block of assets comprising of only these two cars, was sold in June 2021 for Rs.1,50,000. In September 2021, he sold 1,000 shares in X Ltd. (Unlisted) an Indian Company, for Rs.30,00,000. He had purchased the same during March 2005 for Rs.3,10,000. A house plot purchased in March, 2011 for Rs.3,00,000 was sold by him for Rs.9,35,000 on January 18,2022. (CII 2010-11 :167, 2004-05 :113, 2021-22: 317) Compute the capital gains chargeable to tax in respect of the above transactions for the assessment year 2022-23.
4. Kanagasabapathy of selam constructed a factory with Building, Plant, Machinery, Furniture etc. However, he decided to lease out the factory on a hire charge of Rs.25,000 per month. During the previous year 2021-22, he spent Rs.15,000 for repairs and Rs.10,000 for insurance on the assets. Allowable depreciation is Rs.35,000 P.A. Ascertain his 'Income from other sources' from the above details.
5. Decide about the person in whose hands the following incomes shall be taxable for the assessment year 2022-23. (i) Mr.Rajan owns 10,000 15% debentures of Rs.100 each of X Ltd. (annual interest being Rs.1,50,000). On May 1, 2021, he transfers interest income to Balu, his friend without transferring the ownership of these debentures. (ii) Mr.Rajan also owns a house property in Chennai. (Annual rent received is Rs.1,00,000) On April 1, 2021, he transfers rental income to Vijayan, his relative without transferring the ownership of the house.

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6. Calculate the deduction allowable under Section 80GG to an assessee having the following incomes for the assessment year 2022-23:

Rs.

Business income      55,000

Interest from Bank    5,000

Total Income          60,000

Rent paid by him for a house occupied by him for the purpose of his residence is Rs.1,250 per month.

7. Ganesan furnishes the following particulars of his income for the previous year 2021-22. Compute his income from other sources for the assessment year 2022-23.

(a) Dividend (Gross) from Ashok Leyland Ltd.    Rs.25,000

(b) Dividend from a co-operative society                Rs.5,000

(c) Interim dividend from Rane (Madras) Ltd.        Rs.6,000

(d) Dividend from a foreign company                    Rs.26,000

(e) Dividend from Mutual fund                            Rs.3,000

8. Compute the tax liability of Mr.Ranjith for the assessment year 2022-23. If his total income is Rs.26,00,000.

### Section B

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

9. Sri Varadhan sells a residential house property in Madurai for Rs.90,00,000 on May 20, 2021 which was purchased by him on April 25, 1965 for Rs.50,000. The fair market value on April 1, 2001 was Rs.2,00,000. He purchases a new residential house property for Rs.10,00,000 on 28 March 2022 house is not fully constructed and deposited Rs.5,00,000 on July 31, 2022 (being the last date for furnishing return of income for the assessment year 2022-2023) in a bank account specified for the purpose of section 54. Assuming that Sri Varadhan withdraws from the deposit account and completes the construction of a house property on January 2023, for Rs.4,00,000; withdrew the unutilised amount in the deposit account after May 20, 2024, Compute the amount of Capital Gains Chargeable to tax. CII for 2001-02 is 100, 2021-22 is 317.

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10. Mr.Kannan owns horses at Bangalore and Delhi. The horses run in races at the respective race courses. During the year 2021-22, Mr.Kannan submits the following information. (i) Expenses on race horses at Bangalore Rs.4,00,000 (ii) Expenses on race horses at Delhi Rs.6,00,000 (iii) Stake money earned by horses at (a) Bangalore Rs.5,00,000 (b) Delhi Rs.3,00,000 (iv) Mr.Kannan received Rs.1,26,000 on betting during horse races at Bangalore (v) Kannan also received Rs.49,000 as lottery winnings and his winnings from card games were Rs.20,000, during the year. Compute the income from other sources of Kannan for the assessment year 2022-23.
11. From the following particulars compute the total income of Mr.David for the assessment year 2022-23.

	Rs.
Loss from house property	2,60,000
Short term capital gain on sale of shares	2,40,000
Long term capital loss on sale of bonds –	85,000
Other sources : Interest on Government securities	10,000

The assessee has unabsorbed depreciation of Rs.25,000 being brought forward from 2022-21. Assessee had closed the business and all the assets have been disposed of.

12. Shri Ashok is a Central Government employee in the ministry of Finance (date of joining, February 10, 2012). During the previous year 2021-22, his basic salary is Rs.12,000 per month. Dearness allowance considered for service benefit is Rs.2,000 per month. He contributes 10 percent of his salary towards notified pension scheme. A matching contribution is made by the Central Government. Compute the taxable income of Mr.Ashok. Ashok has also contributed another 60,000 towards notified pension scheme.
13. Shri Vijay furnishes the following details of income for the PY 2021-22. Business income after claiming deduction is Rs.42,00,000.
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|---|-------------|
| Contribution to an Indian University for research   | Rs.50,000   |
| Revenue expenditure incurred for research           | Rs.35,000   |
| Cash payment of expenses                            | Rs.42,000   |
| Vijay's other incomes: Dividend from Indian company | Rs.1,00,000 |
| Interest on savings Bank Account                    | Rs.25,000   |
| Vijay's savings are as follows: LIC Premium         | Rs.1,60,000 |
| Mediclaim Premium                                   | Rs.25,000   |
| Donation to P.M. National relief fund               | Rs.40,000   |
- Determine Vijay's taxable income and Tax Liability.

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