

**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.(A&F) END SEMESTER EXAMINATIONS NOVEMBER-2022**  
**SEMESTER - V**  
**20UAFCT5015 - 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. Mr.David Paul, a foreigner came to India for the first time on 31.03.2017. During the period between the financial year of 2017 - 18 and 2021-22 he was in India as follows:

Year	Days
2017-18	160 days
2018-19	15 days
2019-20	90 days
2020-21	250 days
2021-22	70 days

Compute his residential status for the Previous Year 2021-22.

2. Mr.Kumar a resident of Ajmer, receives Rs.48,000 as basic salary during the P.Y 2021-22. In addition he gets Rs.4,800 as D.A (Forming Part of Retirement Benefit), 7% commission on sales made by him (Sales Made by X Durinf the relevant previous year is Rs.86,000) and Rs.6,000 as HRA However he pay Rs.5,800 as House Rent. Prepare the Value of taxable House Rent Allowance.

3. From the following Profit & Loss a/c of Mr. Rajan, Compute his taxable income from business for the P.Y 2021-22

Net Profit as per P&L account (After charging the following) Rs.1,25,000

- a) Sales Tax Rs.20,000 and Income tax Rs.55,000
- b) Bad debts provision Rs.3,000
- c) Commission to procure business order Rs.8,000
- d) Interest on Capital Rs.38,000
- e) Depreciation Rs.4,000(but as per income tax rules Rs.2,000 only)

4. Mr.Sunil gross total income is Rs.10,00,000 during the Previous Year 2021 -22, Compute

Particulars	Rs.
National Cultural Fund	20,000
National Children's Fund	12,000
African Fund	6,000
Indira Gandhi Memorial trust	10,000
Rajiv Gandhi foundation	14,000

5. Mr.Saran retired on 30.09.2021 after a service period of 27 years and 8 months. At the time of retirement he was drawing a salary of Rs.20,000 p.m. and a D.A. Rs.6,000 p.m. the gratuity received by him was Rs.4,60,000. Solve his taxable gratuity if it comes under the Payment of Gratuity act.

6. From the following particulars, compute the GAV

PARTICULARS	HOUSE- 1	HOUSE- 2
Municipal value	30,000	48,000
Fair rental value	24,000	36,000
Standard rental value	Nil	30,000
Actual rental value	48,000	39,000
Vacant (in Months)	3	2

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7. Describe "Deemed Business Profit".
8. Ascertain the basis of Permanent Account Number (PAN) and its usage.

### Section B

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

9. Mr. Narasimhan has received the following income during the Previous Year 2021-22

Particulars	Rs
Salary received in India for five months	15,000
Income from House Property in India	12,350
Interest on Savings bank deposit in SBI	5,000
Amount brought to India out of past untaxed profit earned in France	25,000
Income from Agriculture in Malaysia being invested in India	10,000
Income from business in Singapore being controlled from India	35,000
Dividend received in Germany from French company, of which Rs.5,000 was remitted to India	50,000

You are required to compute total income of Mr. Narasimhan for the Previous year 2021-22, if he is

- i) Resident and Ordinarily resident
- ii) Resident but not ordinarily resident
- iii) Non - resident

10. Mr. Suresh an employee of ITC Ltd., Chennai, has furnished the following particulars. Compute the taxable salary for the Previous Year 2021-22

Particulars	Rs.
Basic salary	7,500 p.m
D.A.(50% forming part of retirement benefits)	2,500 p.m
Bonus	5,000 p.m
Salary arrears	6,000 p.a
Educational allowance for his grandchild	200 p.m
Medical expenses reimbursed by employer	4,000 p.a
Lunch allowance for 300 days @ 90 per day	27,000
L.I.C premium paid by the employer	8,000 p.a
Professional Tax paid by the employer	3,000 p.a
Club bill paid by the employer	5,000 p.a

11. From the Particulars furnished by Suman for the Previous Year 2021-22. Solve the taxable income from house property for the Assessment Year 2022-23. He Owns a house property at a Metro city. Its Fair Rental value per annum is Rs.27,000 and Municipal value Rs.24,000. The House was let out from April 1, 2021 to August 31, 2021 @ Rs.2,100 per month. From September 1, 2021, Suman occupied the house for his residence.

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Expenditure incurred and paid on the property:

- a) Municipal Tax Rs.4,000      b) Fire Insurance RS.2,500
- c) Land Revenue Rs.4,600
- d) Repair Rs.1,000

Interest paid on borrowings for construction :

- a) for the year Rs.21,600
- b) Proportionate preconstruction interest Rs.12,960

12. The Following is the Profit and Loss account of Mr.Roy for the Previous Year 2021-22

Particulars	Rs.	Particulars	Rs.
To Rates and Taxes	450	By Gross Profit	14,623
To Establishment (Staff)	1,750	By Bank interest on personal deposits	577
To Rent	600		
To Household expenses	1,450		
To Discount	250		
To Advertisement	200		
To Income Tax	480		
To Postage, Stationery	810		
To Fire Insurance	150		
To Gifts and Presents	160		
To Charity and donations (approved institution)	1,140		
To Purchase of plant and Machinery (not yet installed)	1,500		
To Repairs of furniture	50		
To Interest on loan	1,000		
To Life Insurance Premium	600		
To Reserve for doubtful debts	700		
To Interest on capital	250		
To Net Profit	3,660		
	15,200		15,200

You are required to compute the business income of Mr.Roy.

13. Mr.Bala, an employee of a company has furnished the following particulars of his income for the year ended 31<sup>st</sup> March 2022.

- a) Salary @ Rs.30,000 per month and D.A. @ Rs.5,000 p.m.
  - b) City Compensatory Allowance @ Rs.750 p.m.
  - c) Premium paid by the employer to LIC on a policy taken in 2018 for Rs.10,000 on his own life Rs.3,000
  - d) LIC Premium paid by Mr.Bala on the life his spouse life Rs.5,000
  - e) Income from Business Rs.7,500
  - f) Own house in his town was occupied by his sister -in-law free of rent. The annual letting value of the house according to municipal valuation is Rs.7,500 and municipal taxes for the year are Rs.1,500.
  - g) The employer had provided him a big car both for his official use and private use for the above period . The maintenance expenses are met by the employer.
- Evaluate the taxable income of Mr. Bala for the P.Y 2021-2022.

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