

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 APRIL-2023  
SEMESTER - VI

**20UAFCT6019 - Income Tax Law & Practice -II**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

1. Mr.Raman furnishes the following transactions, Compute the capital gains.

S.No	Nature of asset	Date of purchase	Date of sale	Cost of purchase	Expenses on purchase	Sale value	Expenses on sale
1	Shares of PS Co. (Listed)	01.02.2021	04.10.2021	20,000	200	40,000	500
2	Unlisted shares of RM Co.	01.10.2020	31.12.2021	40,000	300	70,000	600
3	Debentures of SN Co.	01.12.2021	05.03.2022	50,000	-	40,000	200
4	Debentures of BB Co.	01.06.2021	31.12.2021	60,000	-	80,000	500

2. From the following details, compute income from other sources for the year 2021-2022.
- Dividend Rs.12,000
  - Rent from machineries Rs.26,000 (Bank collection charges Rs.380; Insurance premium Rs.1,060; Depreciation Rs.1,400; Repair expenses Rs.250)
  - Casual income (Net) Rs.24,500
  - Interest on bank deposits Rs.6,000
  - Royalty income Rs.18,000 (Expenses Rs.2,000)
3. Distinguish between revocable transfer and irrevocable transfer of assets.
4. Master Ajay (Age 16 years) received following incomes during 2021-2022.
- Interest on bank deposits Rs.75,000
  - Interest on Govt. Securities Rs.80,000
  - Interest on debentures Rs.40,000
  - Income by acting in a film Rs.1,00,000
  - Income by a singing concert held by him Rs.50,000
  - His father's total income Rs.1,09,000
  - His mother's total income Rs.1,09,100

**Contd...**

Decide about the person in whose hands the above incomes shall be taxable and prepare the statement of Income to be taxed.

5. Explain any six due deductions from gross total income for expenses made.
6. Compute deduction u/s 80-c from the following:
  - (a) Contribution to RPF Rs.15,000
  - (b) Contribution towards NSC – VII issue Rs.11,000
  - (c) Insurance premium on own life (Sum assured Rs.1,50,000) Rs.25,000
  - (d) Contribution towards the life of his wife (Sum assured Rs.45,000) Rs.2,500
7. Describe the refund of Tax under Income Tax Act.
8. Mr.Y provides the following data regarding his transaction for the sale of his residential house for the previous year 2021-2022. Compute the amount of capital gain to be included in the total income for the assessment year 2022-2023.

Cost of acquisition (2006-2007)	Rs.1,00,000
Sold on 31.12.2021	Rs.60,00,000
Cost of improvement (2013-2014)	Rs.10,000
Cost of inflation index:	
2006-2007	122
2013-2014	220
2021-2022	317

### Section C

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

9. Mr.Suresh a resident Indian, sold gold for Rs.30,00,000 on 20<sup>th</sup> May 2021, which he acquired on 16<sup>th</sup> April 1977 at a cost of Rs.1,70,000. The Fair Market Value of gold on 1<sup>st</sup> April 2001 was Rs.1,50,000. He has invested Rs.4,00,000 in buying a residential house on 15<sup>th</sup> June 2022. Compute the capital gains chargeable to tax during the A/Y 2022-2023 (CII for 2001-2002 = 100, 2021-2022 = 317).
10. From the following particulars of Mr.Edward for the previous year ended 31<sup>st</sup> March 2022. Prepare the statement of income from other sources for the A/Y 2022-2023.

a)	Director's fee from a company Rs.10,000
b)	Interest on Bank deposit Rs.3,000
c)	Income from undisclosed sources Rs.12,000
d)	Winnings from lotteries (Net) Rs.82,200
e)	Royalty on a book written by him Rs.8,000
f)	By giving lecturers in functions Rs.5,000
g)	Interest on loan given to a relative Rs.7,000
h)	Interest on tax free debentures of a company (listed in recognized stock exchange) Net Rs.3,560
i)	Dividend on shares (Net) TDS @ 10% Rs.5,400
j)	Interest on post office savings bank account Rs.500
k)	Interest on Govt. Securities Rs.2,200
l)	A sum of Rs.26,000 is received as gift on 01.08.2021 from a friend
m)	A sum of Rs.50,000 is received as gift on 01.10.2021 from his sister
n)	Edward paid Rs.20 for collection of dividends and Rs.1,000 for typing the manuscript of book written by him.

Mr. Edward has the following other transactions:

- a) House property 'A' purchased for Rs.6,00,000 (stamp duty value Rs.6,50,000);
- b) Plot of land purchased for Rs.7,00,000 (stamp duty value Rs.9,00,000).

11. Shri. Sudha, an individual submits the following information relevant for the assessment year 2022-2023.

Particulars	Profit (Rs.)	Loss (Rs.)
Salary income (computed)	84,000	
Income from house property (computed)		
House X	30,000	
House Y		34,000
House Z		42,000
Profits and gains of business or profession		
Business A	16,000	
Business B		20,000
Business C – speculation	22,000	
Business D – speculation		46,000
Capital gains		
Short term capital gain	12,000	
Short term capital loss		56,000
Long term capital gain	25,000	
Income from other sources		
Income from card games	38,000	
Income from betting	30,000	
Loss from card games		14,020
Loss on maintenance of race horses		12,000
Interest on securities	8,000	

Determine the Gross Total Income for the assessment year 2022-2023.

12. Mr. Marudhu who is totally handicapped provides you the following information. Compute the taxable income for the assessment year 2022-2023.

Particulars	Rs.
Salary (per annum)	1,40,000
Interest on bank saving account	15,000
Interest on Govt. securities	4,000
Long term capital gain	40,000
Short term capital gain	10,000
Winnings from lotteries (Gross)	20,000
Deposit in PPF	40,000
NSC (VIII) purchased during the year	20,000

13. Criticize the penalties imposed under the Income Tax Act 1961 for different defaults committed by Assessee's.

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