

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 -2023
SEMESTER - V
21UBCCT5015 - 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. Compute the residential status of an individual for the assessment year 2023-24 who came to India for the first time in 2020-21 and was in India as follows;

Previous years	Presence in India
2022-23	185 days
2021-22	15 days
2020-21	26 days

2. Predict the Gross Annual Value from the particulars given below

M.R.V. Rs.60,000 p.a. : Actual Rent Rs.7,000 p.m.:

F.R.V. Rs.66,000 p.a. : Standard Rent Rs.69,000 p.a.

During the previous year 2022-23, assessee could not realise rent for two months.

3. Advise an assessee about the admissibility or otherwise of the claims, with regard to the following items:

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| <ul style="list-style-type: none"> i. Donation to a political party. ii. Sums paid to a labour leader to call off the strike. iii. Loss due to embezzlement by an employee. iv. Penalty paid to customs authorities for importing prohibited goods. v. Brokerage paid for raising loan for the business. |
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4. Illustrate the powers of C.B.D.T.
5. Mr.Hari is employed at Amritsar on a salary of Rs.30,000 p.m. The employer is paying H.R.A. of Rs.8,000 p.m. but the actual rent paid by him (employee) is Rs.12,000 p.m. He is also getting 2% commission on turnover achieved by him and turnover is Rs.50,00,000. Compute his gross salary.
6. Sri Pramod owns a house property. Its annual letting value is Rs.80,000. During the previous year it was let out to a tenant on monthly rent of Rs.7,000. He claimed the following expenses actually incurred by him;
- i. Municipal taxes Rs.8,000
 - ii. Rent collection charges Rs.600
 - iii. Maintenance allowance paid to his step mother Rs.12,000 annually which was a charge on the property according to his father's will. The house remained vacant for one month during the previous year. Ascertain his income from house property for the assessment year 2023-24.

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7. Dr.Satish is a medical practitioner. He gives you the following summary of cash book for the year ending 31.3.2022;

Particulars	Rs.	Particulars	Rs.
To Balance	10,000	By Rent of clinic	18,000
To Consultation fee	60,000	By Purchase of medicine	38,000
To Visiting fee	45,000	By Staff salaries	24,000
To Gifts and presents	8,000	By Surgical equipment	40,000
To Sale of medicine	42,000	By Motor car expenses	8,000
To Dividend from UTI	6,000	By Purchase of motor car	1,40,000
To Life insurance maturity	1,00,000	By Household expenses	7,000
To Dividend from N.D.S.	6,000	By Closing balance	2,000
	2,77,000		2,77,000

Other information:

- 50% of the motor car expenses incurred in connection with profession. Car was purchased in December 2021.
 - Household expenses include Rs.6,800 insurance premium.
 - Gift and presents include Rs.3,000 from relatives
 - Closing stock for medicine Rs.12,000 and opening stock on 1.4.2021 was Rs.4,000.
- Compute his professional gain for the assessment year 2023-24.
8. Examine the various income tax authorities.

Section C

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

9. The following are the incomes of Shri.Kiran for the previous year 2022-23;

Particulars	Rs.
i. Profit from business in Dharwad	7,000
ii. Income accrued in India but received in Italy	6,000
iii. Profit from business in England received in India	5,000
iv. Income from house property in Africa received in India	4,000
v. Profit from business in Iran and the business being controlled from India.	3,000
vi. Income from house property in Pakistan and deposited in bank there	2,000
vii. Past untaxed foreign income brought in to India during the previous year	1,000

Compute the total income of Shri.Kiran for the assessment year 2023-24 if he is;

a) Ordinary resident b) Not ordinary resident c) Non-resident.

10. Mr.A received the following incomes during the year ending 31.3.2023;

Particulars	Rs.
Salary from his employer @ Rs.36,000 p.m.	3,96,000
Leave travel concession for proceeding on leave to home town. (Actual expenditure Rs.51,000)	54,000
Lunch allowance @ Rs.1,250 p.m.	13,750
Reimbursement of medical expenses	9,700
Mr.A also enjoyed the following other benefits	
Free unfurnished flat at Mumbai for which his employers were paying monthly rent of Rs.10,000 p.m.	
One free car if 1.3 lt. capacity with driver which was used partly for personal and partly for employment purposes.	
Mr.A's salaries and allowances (which remained unchanged) for the month of March 2023 were due on 31.3.2023 but were received in April 2023.	

Predict his income under the head salaries for the year ended 31.3.2023.

11. Mr.X, the owner of two houses, occupies one for his own residence and the other he lets to a tenant at a monthly rent of Rs.500. The municipal valuation of the house occupied is Rs.2,600 and of the other is Rs.5,200. The municipal taxes of the two amounted to Rs.600. The other expenses in respect of the two houses are as follows;

Particulars	Rs.
Insurance premium for two houses	1,200
Annual charge in respect of the house occupied	300
Ground rent for the house let	100
Repairs of the house occupied	700
Interest on loan taken to repair the two houses	400

Mr.X also had income from other sources amounting to Rs.20,000 during the year. Determine Mr.X's income from house property and total income.

12. Following is the Profit and Loss Account of Kesari Malya for the previous year 2022-23.

Particulars	Rs.	Particulars	Rs.
To Salaries	25,650	By Gross profit	80,000
To Rent	1,000	By Bank interest	450
To Commission on sales	100	By Bad debts recovered	
To Income tax	2,600	[Last year allowed]	2,000
To Entertainment expenses	600	By Rent from house property	4,800
To Commission paid to collect interest on securities	25	By Interest on securities	2,000
To embezzlement by cashier	1,000		
To Municipal tax of H.P.	600		
To Bad debts (allowed)	450		
To Repairs to house	1,625		
To Office expenses	9,180		
To Depreciation	5,000		
To LIC premium	1,320		
To Net profit	40,100		
	89,250		89,250

Depreciation on the assets is Rs.4,500. Compute the taxable business income for the assessment year 2023-24.

13. Evaluate the different kinds of assessment.
