

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 -2023
SEMESTER - V
20UAFCT5015 - Income Tax Law & Practice -I

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

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

1. Mr.R is a German Citizen. During the Financial year 2022-23, he was in India for 120 days. Determine his residential status for the assessment year 2023-24 on the assumption that during the Financial year 2012-13 to 2021-22 he was present in India as follows:

2012-13	20 days
2013-14	16 days
2014-15	28 days
2015-16	30 days
2016-17	50 days
2017-18	150 days
2018-19	59 days
2019-20	59 days
2020-21	182 days
2021-22	182 days

2. Compute taxable part of annual salary from information given below:

	Rs.
Net Salary received	72,000
Income tax deducted at sources	4,000
Professional tax deducted at sources	1,200
Group insurance: Premium deducted by the employer	1,200
Rent of house deducted out of salary	3,600
LIC Premium paid by employee	6,000

3. From the following particulars of Rajesh's business, you are required to calculate the income from business.

Net profit as per P&L A/c(after charging the following) – Rs.1,25,000
Sales tax Rs.20,000 and Income Tax Rs.55,000
Bad debts provision – Rs.3,000
Commission to procure business order – Rs.8,000
Interest on capital – Rs.38,000
Depreciation – Rs.4,000(but as per income tax rules Rs.2,000 only)

4. Write a short note on

- i) Belated Return,
- ii) Revised return and
- iii) Defective return.

5. Mr.Y resident of Nagpur, receives Rs.54,000, as a basic salary during the previous year 2022-23. In addition, he gets Rs.4,800 as dearness allowance forming part of the basic salary, 7% of commission on sales made by him(sale made by Y during the relevant previous year is Rs.86,000), and Rs.6,000 as House Rent allowance. He however pays Rs.5,800 as a House rent. Determine the quantum of house rent allowance exempt from tax.

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6. Y owns house property. It is used by him throughout the previous year 2022-23 for his residence. Municipal value of the house is Rs.40,000, whereas fair rent is Rs.50,000. Municipal tax paid by him was Rs.4,000. Y borrowed Rs.10,00,000 on 1.1.2016 at 10% for construction of the house. The construction was completed on 1.10.2018. Compute the income from house property for the assessment year 2023-24.
7. Mr. Raman has prepared the following P&L A/c for the year ended 31.3.2022. You are required to compute his income from business and his gross total income for the AY 2023-24

Particulars	Amount	Particulars	Amount
To Income tax	700	By GP	1,35,900
To Charities	375	By dividend (Cooperative Society)	2,600
To Donations	400	By Rent from house property	500
To advertisements	1,450	By Bad debts recovered	2,000
To postages & telegrams	100		
To Other expenses	5,125		
To Net profit	1,32,850		
	1,41,000		1,41,000

8. Calculate the tax liability of Mrs. Monica, (82 years of age), for the assessment year 2023-24 from the particulars given below.
- Income from salary – Rs.8,00,000
Income from house property – Rs.1,70,000
Income from business – Rs.1,00,000
Donation to National defence fund – Rs.10,000

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. The following are the income of Shri. Krishna kumar, for the previous year 2022-23.

Particulars	Rs.
Profits from the business in America Controlled received in India	15,000
Profits received from business in Chennai	10,000
Income from house property in New Zealand received in India	10,000
Interest on Indian Government securities received in India	1,00,000
Income from house property in Canada deposited in Bank there	1,00,000
Profits earned and received from business in Pune	50,000
Profits accrued in India received in Malaysia	40,000
Income from Agriculture in Canada and entire amount spent there for Daughter education	70,000
Interest on Foreign Government securities received in UK and deposited there	30,000
Past untaxed foreign income brought into India during the previous year	60,000

Determine Gross Total Income under Resident, Resident but not an Ordinary Resident and Non Resident.

10. Shri Gupta who is employed as Mistree in a factory in Kanpur, and is covered under the Payment of Gratuity 1972, retired on December 31st 2022 after completing 34 years of service. At the time retirement the employer paid him a gratuity of Rs.5,10,000 and the accumulated balance of RPF Rs.2,40,000; He is also entitled to a pension of Rs.7,500 p.m. He commuted his half pension and received on 1st March 2023 the commuted value of pension is Rs.2,70,000; On the basis of the following information compute his income from salary for the assessment year 2023-24 assuming that salary and pension are due on the last day of the month:

Particulars	Amount
Basic pay (Rs.21,000 for 9 months)	1,89,000
Dearness Allowance(Rs.5,000 p.m for 9 months)	45,000
Bonus	4,000
Project Allowance	3,000
HRA	4,200
Paid rent at Rs.3,000 for 12 months	36,000
Employer Employee's contribution to RPF (each)	30,000

11. Mr.Sanjay owns 3 houses, where two of them are self-occupied. Consider the below details and calculate the Income from House property.

	House I	House II	House III
Municipal value	70,000	1,00,000	2,00,000
Fair rental value	82,000	1,30,000	2,20,000
Standard rent	-	1,10,000	2,30,000
Actual rent	-	-	2,00,000
Repairs	10,000	20,000	5,000
Insurance	6,000	7,000	3,000
Municipal Taxes	5,000	10,000	15,000
Land revenue	8,000	3,000	4,000

Interest on money borrowed for construction of the property II is Rs.50,000. Date of Borrowing of loan is 1.10.2019.

12. Ram a lawyer by profession keeps his cash book as per the cash system of accounting. The following is the summary of his cash book for the year ended 31.3.23

Particulars	Amount	Particulars	Amount
To balance	5,000	By rent of chamber	2,400
To fees	35,000	By car expenses	3,600
To remuneration as examiner	3,000	By household expenses	12,000
To Interest on bank deposit	2,500	By Local taxes for the house	1,200
To rent from house property	8,000	By repairs of the house	4,000
To dividends	1,600	By LIC premium for self	4,800
		By cost of books for profession	4,000
		By medical treatment for self	5,000
		By balance	18,100
	55,100		55,100

Additional Information:

- 1/3 of the house is used by Ram for his own residence.
- Ram is insured for Rs.40,000.
- Ram has to get medical treatment for an eye ailment caused by intensive study of law books.
- 1/2 of the car expenses relate to personal use of the car by Ram.
- Depreciation computed at the prescribed rate on the written down value of the car is Rs.2,000.

Compute his income from profession.

13. What do you mean by PAN? Explain its features and usages.
