

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 APRIL - 2024

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. What is 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. Compute 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. Mr.N. Prepared the following Profit & Loss Account of his cloth shop for the year ended 31<sup>st</sup> March, 2023. Prepare his income from business for the assessment year 2023-24.

**Profit & Loss Account**

	Rs.		Rs.
To Salaries & wages	33,000	By Gross Profit	3,34,725
To Rent etc.	1,600	By Gift received from relatives	275
To House hold expenses	82,000		
To Income tax	900		
To Advertisement	800		
To Postal expenses	600		
To Gifts to relatives	900		
To Fire insurance premium	400		
To Life insurance premium	2,100		
To Bad debts reserve	800		
To Audit fee	400		
To Net profit	2,11,500		
	3,35,000		3,35,000

4. Predict the various kinds of income tax return.
5. Mr.Babu retired on 30.11.2022 from a coal mine after putting a service of 28 years and 10 months. At the time of his retirement he was getting a salary of Rs.16,000 p.m. His D.A. was Rs.2,000 p.m. Gratuity received Rs.3,40,000. Find out his taxable gratuity, if he is covered under Gratuity Act, 1972.

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6. Compute the taxable income from house property from the following particulars:

	Rs.
Fair market rent	80,000
Actual rent	72,000
Municipal valuation	50,000
Standard rent	60,000
Municipal Taxes	20%
Interest on loan for construction	18,000

7. Explain the admissibility of the following expenses/losses under the head profits from business or profession.

- Losses by embezzlement by employee and theft by outsiders or through negligence of employee.
- Membership fee paid to the Indian Institute of Foreign Trade.
- Professional tax paid to a local authority.
- Amount paid to the employee under the profit-sharing scheme adopted by the employer.
- Expenses incurred on Diwali or Mahurat.

8. Determine the different types of 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;

	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. The following are the particulars of the income of Sh. Arvind for the previous year ending on 31<sup>st</sup> March;

- Salary Rs.32,000 p.m.
- Contribution to recognized P.F. Rs.4,000 per month.
- Employer contributes the same amount as the employee contributes towards P.F.
- Dearness allowance: Rs.5,000 p.m. it is not considered for retirement benefits.
- Interest credited P.F. @ 13% is Rs.13,000.
- Contribution to Public Provident Fund is Rs.9,000.
- Bonus Rs.30,000.
- His ration bill of Rs.2,000 p.m. is paid by employer.
- Premium of life policy is Rs.12,000 on a policy of Rs.2,00,000.
- Deposited Rs.4,800 in Equity Linked Saving Scheme.
- Repayment of House Building loan taken from HDFC Rs.20,500 during the year.

Predict the taxable income of Shri.Arvind for the assessment year 2023-24.

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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;

	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. Ascertain Mr.X's income from house property and total income.

12. From the following P&L A/c of a merchant for the year ended 31<sup>st</sup> March 2023 compute his taxable profits from business.

	Rs.		Rs.
To Office Salary	4,800	By Gross profit	4,35,532
To General Expenses	2,550	By Commission	1,205
To Bad debts written off	2,100	By Discount	751
To Reserve for bad debts	3,000	By Sundry Receipts	202
To Fire insurance premium	450	By Rent of Building	52,640
To Advertisement	2,500	By Capital Gain	3,000
To interest on capital	1,000		
To interest on Bank loan	1,550		
To Donation by cheque	3,875		
To Depreciation	1,200		
To Net profit	4,70,305		
	4,93,330		4,93,330

The amount of depreciation allowable Rs.1,000.

13. Evaluate the various kinds of assessment.

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