

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.

M.Com. A&F- END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - I

23PAFCT1001 - 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. Mr. Rajendran left for U.S.A. along with his family, for the first time, on 14-10-2023. He returned to India on 31-5-2024. Compute his residential status for the assessment year 2024-2025.
2. Explain the circumstance under which person becomes deemed owner of the house property.
3. Classify the Method of computing income from business.
4. Ganesan furnishes the following particulars of his income for the previous year 2023 – 24. Compute his income from other sources for the assessment year 2024 – 25.

Particulars	Rs.
Dividend (Gross) from Ashok Leyland Ltd.,	25,000
Dividend from a Co-operative Society	5,000
Interim dividend from Ram (Madras) Ltd.,	6,000
Dividend from a foreign company	26,000
Dividend from Mutual Fund	3,000

5. The following allowances are given by a company to its employees.

Particulars	Amount	Amount
Transport allowance for commuting between office and residence	25,000	10,000
Tribal area allowance for employees position in Trichy	3,000	NIL
Children education allowance for his 3 children	18,000	-
Hostel expenditure allowance for his 3 children	20,000	50,000
Running allowance for transport	30,000	—

Show the value of taxable allowance.

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6. Shri. Marmada has a house property in Tiruchi whose Municipal value is Rs.1,50,000 and the fair rental value is Rs.1,70,000. Standard rent is fixed at Rs.1,60,000. The house was Self occupied from 1-4-2023 to 30-5-2023. W.e.f. 1-6-23 it was let out at Rs.20,000 p.m. Compute the Gross Annual value for the A.Y. 2024-25.
7. Kumar a Lawyer by profession keeps his cash book as per cash system of accounting. The following is the summary of his cash book for the year ended 31st March 2024.

Receipts	Rs.	Payments	Rs.
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 deposits	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 of self	5,000
		By Balance	18,100
	55,100		55,100

Additional Information:

- 1/3 of the house is used by Kumar for his own residence.
- Kumar is insured for Rs.40,000
- Kumar 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 Kumar.
- Depreciation computed at the prescribed rate on the written down value of the Car is Rs.2,000.

Compute his Income from Profession.

8. Kanagasabapathy of Salem Constructed a factory with Building, Plant, Machinery, Furniture etc. However, he decided to lease out the factory on a hire charge of Rs.25,000 per month. I. During the previous year 2024-25, he spent Rs.15,000 for repairs and Rs.10,000 for insurance on the assets. Allowable depreciation is, Rs.35,000 p.a. Ascertain his 'Income from other sources' from the above details.

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Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Following are the incomes of Rathnam for the previous year 2023 – 24:

	Rs.
(i) Profit from the business in Bangalore	10,000
(ii) Incomes accrued in India but received in Japan	4,000
(iii) Profit from the Business in Canada but received in India	5,000
(iv) Income from House Property in Karachi received in Bombay	4,000
(v) Profit from business established in England and deposited there, the business being controlled from India	20,000
(vi) Income from house property in America and Deposited there.	2,000
(vii) Past untaxed income brought into India during the Previous year	10,000

Show the total income of Rathnam for the assessment year 2024-25 if he is:

- (a) Resident
- (b) Not Ordinarily resident
- (c) Non Resident

10. Mrs. X, an employee of Tamilnadu Government submits the following information relevant for the assessment year 2024-25.

Salary: Rs.86,000; entertainment allowance: Rs.8,000; Bonus Rs.10,200; Education allowance Rs.4,000 (for her grand children). Income tax penalty paid by employer Rs.2,000. Medical expenses reimbursed by employer Rs.2,000. Leave travel concession Rs.1,000; Payment of electricity bills by employer Rs.1,060; Reimbursement of gas bills Rs.1,000, Professional tax paid by employer Rs.300, Professional tax paid by Mrs. X Rs.150.

Mrs.X is provided with a car of more than 1.6 Ltr for both personal and official use and expenses of maintaining and running the car with chauffeured borne by the employer. Contribution to PPF Rs.1,20,000 (Principal Amount) Repayment of Loan taken for purchase of house Rs.70,000. Compute the taxable salary and amount deductible u/s 80C.

11. From the Particulars given below ascertain income from house property for the assessment year 2024-25.

Date of Completion : 1-11-24
Municipal Rental value : Rs.36,000
Fair Rental Value : Rs.30,000
Self-occupied : 2/3 portion

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Let out : 1/3 portion, from 1-4-2024 to 31-8-2024 at Rs.1,000 p.m. and Self-occupied from 1-9-2024 onwards

Municipal taxes : Rs.3,000 p.a.

Fire Insurance Premium : Rs.2,400 p.a.

Ground Rent : Rs.4,200 p.a.

Interest on Loan : Rs.7,500 p.a.

12. Trading account of M/s.X traders shows a gross profit of Rs.1,60,000 before debiting the following expenses.

	Rs.
a) Personal expenses	10,000
b) Income tax	200
c) Insurance premium paid to LIC	1,000
d) General expenses	2,000
e) Salary to office staff	3,000
f) Provision for taxation	1,000
g) Audit fees	300
h) Commission on raising loan	400
i) Interest on Capital	500

Determine the income under the head profits from business.

II - Compulsory question (1 × 10 = 10 Marks)

13. During the previous year, Mr.Kamal received the following gifts (Money)

Gifts Received from	Amount
Cash Gift from his spouse	50,000
Cash Gift from a friend	1,00,000
Cash Gift from his another friend	56,000
Cash Gift from Brother	65,000
Cash Gift received by a will from grand mother	3,00,000
Cash Gift from a friend at the time of marriage of Kamal	60,000
Cash Gift from father's friend	25,000
Received House property from a friend (without consideration) (stamp duty value)	15,00,000

Determine the income assessable to tax in the hands of Mr.Kamal for the assessment year 2024 – 25.
