

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 - NOV'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. Write a note on "Person" u/s 2 of the Income Tax Act and Casual income? Give two examples.
2. Mr.Rajan is the owner of four houses, which are let out and covered by the rent covered act. From the following particulars find out the gross annual value in each case:

| Particulars | Rs. | Rs. | Rs. | Rs. |
|-----------------|--------|--------|--------|--------|
| Municipal value | 30,000 | 26,000 | 35,000 | 30,000 |
| Annual rent | 40,000 | 30,000 | 32,000 | 32,000 |
| Fair rent | 36,000 | 28,000 | 30,000 | 36,000 |
| Standard rent | 30,000 | 35,000 | 36,000 | 40,000 |
| Unrealised rent | 4,000 | - | 2,000 | 3,000 |

3. State the admissibility or not, of the following items in business head:
 1. Commission paid Rs.10,000 to secure order for business.
 2. Rs.2,00,000 Compensation paid to an employee for premature termination of services for illegal services.
 3. Stock was lost in fire Rs.30,000 debited to P&L A/c.
 4. Loss due to embezzlement by an employee Rs.8,000.
 5. Purchases of Building Rs.3,00,000.
4. What is Best Judgement Assessment?
5. Mr.Arun is a director of a company at Buvaneshwar city drawing a salary of Rs.60,000; Bonus Rs.15,000; Commission - Rs.25,000; Travelling allowance - Rs.12,000 (60% used for purpose) and a house (fair rent – Rs.60,000). He is also allowed tribal area allowance of Rs.9,600; Medical allowance Rs.500 p.m; Children Educational Allowance – Rs.400 pm per child for 3 Children; Entertainment Allowance Rs.500 p.m. Employer's Contribution to Provident Fund Rs.10,000; Interest Accrued on the fund is Rs.2,800 at 14%. Calculate the taxable value of the perquisite in respect of accommodation if X is required to pay Rs.500 p.m towards it. Assume that Buvaneshwar City is having population exceeding 40 lakhs as per 2011 census.

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6. Mr.Sudhir is the owner of a house which is let out, particulars in respect which for the year ended 31st March 2024 are as follows:

| Particulars | Rs. |
|---|--------|
| (a) Actual rent received | 45,000 |
| (b) Municipal valuation | 42,000 |
| (c) Total Municipal tax | 7,000 |
| (d) Municipal tax paid by Mr. Sudhir | 3,500 |
| (e) Municipal tax paid by tenant | 3,500 |
| (f) Interest on loan taken for repairs of the house | 6,000 |

Compute income from house property for the assessment year 2024-25.

7. Dr.Mahesh, furnishes the following particulars of his professional receipts and payments. Compute professional income.

| Receipts | Rs. | Payments | Rs. |
|--------------------|----------|--------------------|----------|
| Consulting fees | 1,10,000 | Surgical equipment | 16,000 |
| Visiting fees | 48,000 | Salaries | 9,200 |
| Rent from property | 7,200 | Personal expenses | 23,600 |
| | | Balance c/d | 1,16,400 |
| | 1,65,200 | | 1,65,200 |

8. Explain briefly about the various income tax authorities.

Section C

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

9. Predict the Gross Total Income of Mr.Arun, if he is (a) Resident (b) Not ordinarily Resident (c) Non-resident.
- Interest from the Indian Company received in Germany – Rs.1,00,000
 - Pension from former employer in Indian Received in UK – Rs.2,00,000
 - Profits made from a business in Hongkong which is controlled from India (half of the profits being received in India)- Rs.20,000
 - Income from companies in USA and received in India – Rs. 1,00,000
 - Income from Agriculture in USA and received in India - Rs.10,000
 - Income from employment in Japan received there – Rs.20,000
 - Past untaxed profits brought to India – Rs.50,000

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SEMESTER - V
21UBCCT5015 - Income Tax Law and Practice-I

10. Mr.G, an employee of Madurai (Population 18 Lakhs) based company provides the following particulars of his salary income:

| Particulars | Rs. |
|---|----------------|
| a. Basic salary | 12,000 p.m. |
| b. Profit bonus | 12,000 |
| c. Commission on turnover | 42,000 |
| d. Entertainment allowance | 2,000 p.m. |
| e. Club facility | 6,000 |
| f. Transport allowance | 1,800 p.m. |
| g. Rent free house provided by employer, lease rent paid by the employer | 6,000 p.m. |
| h. Free education facility for three children of the employee (bill issued in the name of employee) | 22,500 |
| i. Gas, electricity and water bill issued in the name of employee but paid by employer | 16,800 |

Determine income under the head salary.

11. Mr.Anbu's three house property details are as follows:

| Particulars | House A | House B | House C |
|---|---------|---------|---------------|
| Rent received | 60,000 | 40,000 | Nil |
| Municipal valuation | 45,000 | 28,000 | 15,000 |
| Standard rent | 40,000 | 30,000 | Nil |
| Municipal tax | 6,000 | 3,000 | 1,000 |
| Interest on loan against House property | 17,000 | 19,000 | 6,000 |
| Repairs | 4,000 | 2,000 | 500 |
| Purpose of house | Let out | Let out | Self-occupied |

Contd...

12. The receipts and payment of Mr.Kumar for the year ended 31-03-2024 are as follows:

| | | | |
|-----------------------------|--------|----------------------------|----------|
| To balance b/d | 5,000 | By Rent | 2,400 |
| To Lawyer ship fees | 35,000 | By Car expenses | 3,600 |
| To Examination fees | 3,000 | By House hold expenses | 1,20,000 |
| To Interest on bank deposit | 2,500 | By House Tax | 1,200 |
| To Rent from House Property | 8,000 | By House repairs | 4,000 |
| To Dividend | 1,600 | By LIC premium (Self) | 4,800 |
| | | By Cost of Journal | 1,000 |
| | | By Medical expenses (Self) | 5,000 |
| | | By Balance c/d | 18,100 |
| | 55,100 | | 55,100 |

- i. Medical expenses are due to excessive study of law books.
- ii. 50% of car expenses are for personal purposes.
- iii. Car depreciation is Rs.2,000.
- iv. 1/3 of the house is used by kumar for his own residence.
- v. Kumar insured for Rs.40,000;
- vi. 1/2 of the car expenses related to personal use of the car by the Kumar.

Prepare the Kumar's Professional Income

13. Enumerate the procedures of Self-Assessment and Best Judgement Assessment.
