

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 - NOV'2024  
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. In the following cases, identify the residential status.
  - i. ABC Ltd., an Indian company, situated in Ludhiana.
  - ii. KPC Ltd., a foreign company, situated in Chennai but controlled from Dubai.
  - iii. S Ltd., a foreign company situated in India, but partly controlled from Hubli and partly from Taiwan.
2. From the following information given by Ram, compute the qualifying amount u/s 80C for the AY 2024-25.
  - i. Purchased NSC of Rs.11,000.
  - ii. Accrued interest on NSC VIII issued amounted to Rs.1,800
  - iii. Life insurance premium paid Rs.15,000 on his own policy
  - iv. Life insurance premium paid by him on his brother's life policy was Rs.6,000.
  - v. Contribution to family benefit fund Rs.2,000.
  - vi. Repayment of housing loan Rs.75,000 out of which Rs.25,000 is interest.
  - vii. Own contribution to RPF Rs.6,000.
3. Mr.G has constructed a multistory building at Mumbai consisting of 40 flats. Each flat is let out @ 1,000 p.m. The municipal rental value of Rs.4,50,000 p.a. The following are the expenses
  - i) Lift maintenance Rs.12,000
  - ii) Pump maintenance Rs.8,000
  - iii) Salary of gardener Rs.1,800
  - iv) Salary of watchman Rs.1,800
  - v) Swimming pool expenses Rs.9,000.Municipal tax paid 10% of municipal value. Interest on loan for construction of flat Rs.20,000. Compute income from house property.
4. The profit and loss account of Mr.Suresh showed a profit of Rs.1,25,000 for the year ended 31.3.2024. The opening and closing stock was valued at Rs.80,000 and Rs.90,000 respectively. Both the stocks were undervalued at 20% below cost and the depreciation was over charged by Rs.3,000. Compute his business income.

**Contd...**

5. Mr.Narayanan's previous year total income is Rs.4,50,000. He has made the following donations. Show his net income.
- Jawaharlal Nehru memorial fund Rs.12,000.
  - Rajiv Gandhi foundation Rs.8,000.
  - Africa fund Rs.15,000.
  - Indira Gandhi memorial fund Rs.14,000.
6. From the following details compute the salary income of Mr.Senthil a resident of Mumbai for the assessment year 2024-25.
- |  |            |
|--|------------|
| Salary including dearness allowance                              | Rs.90,000  |
| Bonus  | Rs.9,600   |
| Contribution to RPF paid by employer                             | Rs.6,000   |
| LIC premium paid by employer                                     | Rs.19,000  |
| Rent paid by employer for flat provided                          | Rs.45,000  |
| Cost of furniture provided by the employer at the aforesaid flat | Rs. 40,000 |
| Rent recovered from Senthil by the employer                      | Rs.12,000  |
- Bills paid by the employer for gas, electricity and water provided free of cost at the above flat Rs.3,000. Senthil was provided with company's car (self-driven) for official and also for personal use with effect from October 3, 2014. It is not possible to determine expenditure on personal use and all expenses were borne by employer. Senthil is also provided with a sweeper (salary Rs.400 p.m.) and Gardener (Rs.500 p.m. throughout the year).
7. Explain standard deduction in house property income.
8. Examine tax planning for income from business and profession.

### Section C

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

9. Compute the gross total income of Mr.Rajan for the AY 2024-25 if he is a i) Resident ii) Not ordinary resident iii) Non-resident.
- Profit from business in Bangalore Rs.10,000  
 Income accrued from India but received in Japan Rs.4,000  
 Income from House property in America and deposited there Rs.2,000  
 Past untaxed income brought into India during previous year Rs.10,000.
10. Mr.Rangan furnishes the following particulars of his income for the financial year 2023-24.
- Salary Rs.5,000 p.m.  
 DA Rs.2,500 p.m.  
 Entertainment allowance Rs.100 p.m.  
 Employer's contribution to RPF Rs.7,900 p.a.

**Contd...**

Interest from RPF @ 9.5% p.a.

City compensatory allowance Rs.60 p.m.

Medical allowance Rs.1,000 p.a.

He has been provided with the facility of an unfurnished house by the employer in a small town for which the employer charges Rs.200 p.m. The fair rental value of the house is Rs.6,000 p.a. The house is owned by the employer. Compute the taxable income under the head 'Salaries' for the AY 2024-25. Show the workings.

11. Mr.Om Kumar is the owner of a house which consists of 3 independent units. Ground floor which is equal to 40% is self-occupied and first floor is also equal to 40% and is let-out. Second floor which is equal to 20% is also letout.

Fair rental value	: Rs.90,000 p.a
Municipal rental value	: Rs.1,00,000 p.a
Standard rent	: Rs.80,000 p.a
Municipal Taxes paid	: 10% on Municipal rental value
Actual rent received from first floor	: Rs.5,000 p.m
Actual rent received from second floor	: Rs.2,000 p.m

✓ First floor unit remained vacant for 2 months.

✓ Mr.Om kumar started the construction of the house in 2020. He borrowed Rs.7,00,000 @10% on 01.07.2020 for the completion of the house and the house was finally completed on 15<sup>th</sup> July, 2022.

✓ Mr.Om kumar returned loan of Rs.1,40,000 on 31<sup>st</sup> March, 2023.

Ascertain Mr.Om kumar's house property income for the AY 2024-25.

12. Mr.Sekar discloses the following incomes/losses from business or profession for the previous year 2023-24.

	Rs.
Profit from 'A' business	5,00,000
Loss from 'B' business	1,00,000
Loss from profession 'C'	1,50,000
Profit from speculation business 'D'	2,00,000
Loss from speculation business 'E'	3,00,000

Compute the gross total income from business or profession for the AY 2024-25.

13. Examine the steps involved in e-filing process.

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