

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. Explain in detail about types of residential status.
2. Mr.Sridhar, employee of ABC Ltd., received Rs.36,000 as leave salary at the time of retirement on January 31, 2024.
On the basis of the following information, compute the taxable leave salary. Basic pay Rs.3,000 p.m. since 2021. Duration of service 22 years and 8 months. Leave to his credit at the time of retirement is 12 months on the basis of 45 days entitlement of leave for each completed year of service.
3. Mr.Arun is the owner of a house, the construction of which was completed in April 1993. 50% of the house was let out for residential purpose at Rs.4,000 per month. 25% is used by the owner for his own business whereas remaining 25% is used by him as his own residence. Compute "Income from House property" for the AY 2024-25, if the municipal value of the house is Rs.75,000.
4. Leena and Bros. maintains books of accounts on mercantile basis. For the previous year 2023-24 interest on loan, sales tax and excise duty are paid as follows.
 - i. Interest on loan paid on 30th June 2024 is Rs.50,000 and on 7th August 2024 is Rs.10,000.
 - ii. Sales tax paid on 4th July 2024 is Rs.10,000 and on 9th September 2024 is Rs.50,000.
 - iii. Excise duty paid on 31st March 2024 Rs.20,000 and on 10th October 2024, Rs.30,000.

Compute the amount deductible during the previous year 2023-24. Last date of filling of return is 31.7.24.

5. Mr.Varma has furnished the following details:
Taxable salary Rs.8,00,000;
Business income Rs.16,00,000;
Income from other sources:
Interest on bank deposits Rs. 1,65,000;
Various payments made by Mr.Varma (Who is of 62 years)

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- a. Medical expenditure of his father (No mediclaim was taken) Rs.70,000.
 - b. Mediclaim premium of himself and his spouse and children Rs.80,000.
 - c. Savings u/s 80C Rs.4,00,000. Show his taxable income.
6. Mr.Ramesh, a citizen of India, went to Canada for business purpose on 1.1.19. He was never out of India in the past. During the previous year 2019-20, 20-21, 21-22,22-23 he has been in India for 100 days every year. He returned to India to settle here on 1.1.24. Compute the residential status for the AY 2024-25. Would it make any difference if he comes to India on 1.1.24 for three months on a visit and not to settle here?
 7. Mr.J is the owner of a big house having Municipal valuation of Rs.6,000 per month. One half of house is let out a rent of Rs.4,000 per month and remaining 50% is self-occupied. He pays Rs.600 as municipal taxes. The house was completed in May 1986. Compute the Net Annual value of the house.
 8. Justify the kinds of Income.

Section C

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

9. Ascertain which of the following incomes are taxable when the residential status of Mr. Vishnu is: if he is a i) Resident ii) Not ordinary resident iii) Non-resident.
 Income accrued in Canada but received in India 10,000.
 Rs.5,000 earned in Africa and received there but brought in India.
 Rs.5,000 earned in India but received in Canada.
 Rs.10,000 earned and received in Sri Lanka from business controlled from India.
 House property income (computed) from Sri Lanka Rs.2,000.
 Rs.4,000 was past untaxed foreign income which was brought to India during the previous year.
 Profit earned from a business in Kanpur Rs.10,000.
10. Mr.Sureshkumar is an employee of a company in New Delhi. He submits the following particulars of his income from the company and you are asked to compute his salary income for the financial year 2023-24.
 Salary Rs. 18,000 per month.
 Bonus: one month salary
 Contribution to RPF : 15% of salary. The company is also contributing equal sum.
 Interest credited to RPF at 10% per annum amounted to Rs.2,000 during the year.
 He received entertainment allowance from the company at Rs.2,000 per month, which he claims that he has fully spent for that purpose.
 He received a gift worth Rs.12,000 from his employer.

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11. Mr.Sivaraman owns two houses. House I was let out and House II were used by him for his own residence. Particulars about these houses are as follows.

	House I	House II
Municipal value	1,02,000	1,69,500
Fair rent	1,36,000	2,02,500
Rent received	11,250 p.m.	—
Standard rent	1,08,000	1,90,500
Municipal tax (10% of Municipal value)	40% due fully paid	
Interest on housing loan	6,000	12,000
Brokerage for arranging loan	1,500	8,000
Vacancy period	2 months	6 months
Recovery of unrealized rent (Allowed as deduction in AY 2021-22)	6,000	—

12. Mr.Subburaj a manufacturer of Chemicals started his business on 1-10-2023. The following expenses are incurred by him before commencement of his business.
- Legal charges for drafting an agreement between the assessee and Mr.Vijay for setting up the business Rs.10,000
 - Expenses on opening up a branch Rs. 20,000
 - Expenses on feasibility report, project report and market survey Rs.40,000
 - Engineering services (work carried on by a concern not approved by the board) Rs.50,000

Compute the amount of deduction under section 35D, after taking into account the following figures.

	Rs.
Cost of fixed assets	10,00,000
Capital	8,00,000
Long term borrowings	3,00,000

After commencement of business, he has incurred the following expenses during the year.

Expenses on extension of industrial unit (Cost of project Rs.8,00,000)	Rs.20, 000
Expenses on project report for opening up of new branch	Rs.30, 000.

13. The following are particulars of Income of Mr.Bell for the Assessment year 2024-25.
- Income from house property Rs.70,000.
 - Business income Rs.60,000.
 - Dividend (Gross) from a co-op. society Rs.500.

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- iv. Long term capital gain : Long term- from land Rs.1,000, from jewellery Rs.8,000.
- v. He paid Rs.28,000 as life insurance premium on his own life on a policy of Rs.2,00,000.
- vi. He gave Rs.20,000 as donation to an approved charitable institution.
- vii. During the year he deposited Rs.20,000 in an equity linked saving scheme notified u/s 80-C.
- viii. He deposited Rs.12,500 in National saving scheme, 1992.
- ix. Interest accrued on NSC VIII issue purchased in November 2021 for Rs.30,000 is Rs.2,260. Compute his total income.
