

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. CA - END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - V

21UCCET5IT1 - 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(31) of the Income Tax Act.
2. Mr.Dey, residing in US since 1990, visits India for 30 days every year. He came back to India on 01.04.2022 for permanent settlement. What will be his residential status for A.Y. 2024 – 25?
3. Mr.Raj Kumar has the following receipts from his employer:

(i) Basic Pay	₹40,000 p.m.
(ii) D.A.	₹6,000 p.m.
(iii) Commission	₹50,000 p.a.
(iv) Motor Car for Personal Use	₹1,500 p.m.
[Expenses met by the employer]	
(v) House Rent Allowance	₹15,000 p.m.

Find out the amount of HRA exempt in the hands of Mr.Raj Kumar assuming that he paid a rent of ₹16,000 for his accommodation at Kanpur. DA forms part of salary for retirement benefits. Mr.Raj Kumar exercises the option of shifting out of the default tax regime provided.
4. Mr.Ramesh was appointed in the scale of ₹12,000 – 420 – 18,300 on 01.09.2020. Compute his salary income for the previous year 2023 – 24 if the Salary is due on the first of every month.
5. Explain any 5 instances of deemed ownership of property.
6. Nandakumar owns a house property in Chennai. During the PY 2022-23, $3/4^{th}$ of the house was Self-Occupied for the full year and $1/4^{th}$ portion was let out for residential purposes from 01.04.23 to 30.11.2023 on a rent of ₹1,000 p.m. From 01.12.2023 this portion was also used for own residence. Find out his Gross Annual Value for the AY 2024-25 taking the following details into account.
FRV of the House: ₹48,000; Municipal Value: ₹44,000; Standard Rent: ₹52,000

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7. Mr.X give you the following particulars from his accounts for the year ending 31.03.24 Following items have been debited to Profit & Loss Account.

Particulars	₹
Net Profit as per P&L A/c	3,00,000
Contribution to Unrecognised Provident Fund	20,000
Provision for Income tax and wealth tax	10,000
Advertisement	10,000
Provision for excise duty	5,000
Interest on late payment of sales tax	1,000
Office expenses	3,000

Compute his Business Income.

8. What is a Permanent Account Number and what is its structure?

Section C

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

9. From the following particulars of income furnished by Mr.Anirudh pertaining to the year ended 31.03.24, compute the Total income for the A.Y. 2024-25, if he is:

- Resident and Ordinary Resident
- Resident but Not Ordinary Resident
- Non Resident

Particulars	₹
(a) Short Term Capital Gains on sale of shares of an Indian Company, received in Germany	15,000
(b) Dividend from a Japanese Company, received in Japan	10,000
(c) Rent from property in London deposited in a bank in London, later on remitted to India through approved banking channels	75,000
(d) Dividend from RP Ltd., An Indian Company	6,000
(e) Agricultural income from land in Gujarat	25,000

10. Mr. Raju is an officer of a company at Chennai. From the following particulars compute his salary income:

	₹
(a) Basic Salary	1,20,000
(b) Dearness allowance	24,000
(c) House Rent Allowance	12,000
(d) Children's education allowance	6,000
(e) Medical allowance	4,800
(f) Contribution to RPF	12,000
(g) Employer's contribution to RPF	12,000
(h) Interest credited to RPF @ 14%	3,750

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SEMESTER - V
21UC CET5IT1 - Income Tax Law and Practice-I

- (i) He is provided with the services of a cook, and a watchman who are paid ₹500 p.m. and ₹600 p.m. respectively. He is also provided with a car of 1.6 litres for official and private purpose. Expenses of the car are met by the company. He has been living in a rented house and paying ₹1,500 p.m. as rent.
- (j) He paid LIC premium of ₹20,000 p.a. on his own life policy of ₹3,00,000

11. Mr.K has occupied three houses for his residential purposes, particulars of which are as follows:

Particulars	I	II	III
Standard Rent	15,000	20,000	-
Municipal Valuation	10,000	30,000	30,000
Fair Rent	18,000	18,000	35,000
Municipal taxes paid	1,200	2,400	3,600
Repairs	Nil	Nil	200

'Mr.K' borrows ₹30,000 @ 20% interest p.a. for construction of House III (Date of Borrowing: June 1st 2014, Date of Repayment of Loan 10.05.2024). Determine taxable income. Interest on loan borrowed for construction of House II for 2023 – 24 is ₹3,00,000 (loan borrowed on 30.06.2013).

12. From the following P&L account of Ms.Jayanthi, compute her income from business for the year ending on 31.03.2024

Particulars	₹	Particulars	₹
To Salary	20,000	By Gross Profit	1,50,000
To Rent	10,000	By Rent Received	40,000
To Advertisement	17,000	By Commission	12,000
To General Expenses	15,000	By Bad Debts Recovered (Disallowed earlier)	18,000
To Depreciation	4,000		
To Donation	6,000		
To Wealth tax	5,000		
To Sales tax (due)	12,000		
To Net Profit	1,31,000		
	2,20,000		2,20,000

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Additional Information:

- (i) Salary includes proprietor's salary of ₹5,000
- (ii) General expenses included ₹3,500 incurred by the assessee for defending a criminal case against business
- (iii) Advertisement expenses include one neon sign board costing ₹3,000
- (iv) Sales tax is paid on 31.05.2024, the due date of furnishing return of income is 31.07.2024
- (v) Depreciation permissible ₹3,000 including neon sign board.

13. What is the meaning of filing of returns? Enumerate the various returns.
