

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2021 ONLY)

(NO. OF PAGES: 4)

21PCC310

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS: DECEMBER – 2022

M.Com.- C.A.

MAXIMUM MARKS: 70

III SEMESTER

TIME: 3 HOURS

TAXATION

SECTION - A (10 X 1 = 10 MARKS)

**ANSWER ALL THE QUESTIONS.
MULTIPLE CHOICE QUESTIONS.**

(K1)

1. Assessment Year is meant for calculating _____.
A. Tax payable B. income earned C. loss incurred D. profit earned
2. House rent allowance is _____.
A. Fully exempted. B. Partly taxable.
C. Fully taxable D. Actual rent paid alone is taxable
3. Long term capital gain on sale of listed shares is _____.
A. Exempted B. Taxable C. Partially Exempted D. Partially Taxable.
4. GST is levied on _____.
A. Manufacture B. Retailer C. Consumer D. All the above
5. GST registration is _____.
A PAN based B. passport based C Aadhar based D. none of the above

ANSWER THE FOLLOWING IN ONE OR TWO SENTENCES.

(K2)

6. What is meant by Assessment Year?
7. State the meaning of fair rental value.
8. Give the meaning of set-off of losses
9. Expand (i) CGST (ii) SGST.
10. Write about GST portal.

SECTION – B

(5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. K3

11. (a) Mr. A gets a salary of ₹40,000 p.m. and is provided with rent-free unfurnished accommodation at Ludhiana (Population 20 lakhs as per latest census) whose fair rental value is ₹15,000 p.m. He gets leave encashment of Rs. 20,000 for the current pervious year during the year. House was provided to him w.e.f 1-7-2021. His salary is due on 1st day of every month. Calculate the value of rent-free accommodation and gross salary.

(CONTD.....2)

(or)

11.(b) Mr.Damodar retired on 15-06-2021 from a manufacturing company after putting service of 30 years and 7 months. He received a Gratuity of ₹3,60,000. Basic salary of Mr.Damodar was ₹20,000 p.m. during 2020 and ₹22,000 p.m. during 2021. He was also getting D.A. @ ₹5,000 p.m. which was increased from ₹4,000 on 1-4-2021. 50% of D.A.is presumed to enter into salary for computation of all retirement benefits but 100% of D.A. is part of basic salary for calculation of pension benefits. Compute his taxable gratuity, if he is not covered under Payment of Gratuity Act, 1972.

12. a) The following in the profit and Loss Account of a merchant for the year ending 31-3-2022.

Profit and Loss Account

	Rs.		Rs.
To Office salary	2,06,500	By Gross Profit	4,36,750
To Bad debt written off	1,700	By Commission	1,250
To Provision for Bad debts	3,000	By Discounts	500
To Advertisement	53,800	By Sundry receipts	200
To Fire Insurance Premium (house property)	550	By Rent of building	3,600
To General Expenses	52,750	By Profit on sale of investments	3,000
To Depreciation	1,200		
To Interest on capital	2,000		
To Interest on Bank Loan (Due)	1,300		
Net profit	1,22,500		
	4,45,300		4,45,300

Compute the taxable profits from business. The amount of depreciation is Rs.1,000. Interest on Bank Loan was paid on 1.08.2022. Due date on of filing of return 31.7.2022.

(or)

(b) From the particulars given below calculate net annual value for the previous year ending on 31-3-2022.

	Rs.
A. Municipal Rental value [Date of completion is 1-7-2020]	60,000 p.a.
Actual Rent received	72,000 p.a.
Taxes levied by local authority and paid by owner	
a. House Tax	6,000 p.a.
b. Sanitation Cess	1,000 p.a.
B. Date of completion 1-6-2021	
Rent received @ 4,000 p.m.	40,000
Municipal Rental value	36,000 p.a
Municipal Taxes are 10% of MRV	
He paid 50% of taxes during the year 2021-22	

(CONTD.....3)

13. (a) G. Bedi owns horses at Bombay and Bangalore. These horses run for races at the race course. During the year 2021-2 Mr. Bedi submits the following information:

	Rs.
(i) Expenses on race horses at Bombay	2,60,000
(ii) Expenses on race horses at Bangalore	4,30,000
(iii) Stake money earned by horses at	
a. Bombay	1,20,000
b. Bangalore	5,00,000
(iv) Mr. Bedi received Rs.1,05,000 on 1-7-2021 on betting during horse races at Bombay.	

Compute his taxable income under other sources.

(or)

- (b) From the following particulars of Mr. Amarpreet Thind, compute the amount of taxable fits chargeable as “Income under the head other sources”:

He received a cheque of Rs.1,00,000 as a gift from his grandfather on 15 May 2021.

- i. He received Rs.21,000 from his friend from Canada as a gift on 31 May 2021.
- ii. He received Rs.5,00,000 under a will from his grandmother on 30 June 2021.
- iii. He received Rs.50,000 from his father’s friend on 30 June 2021.
- iv. He received Rs.75,000 as gift from his uncle on 30 September 2021 on his birthday.
- v. He received Rs.20,000 as gift from his employer on 1 October 2021.
- vi. He received a gift of Rs.51,000 from his father’s brother on 30 November 2021.

14. (a) State the features of indirect taxes.

(or)

- (a) Enumerate the benefits of GST.

- 15.(a) What are the advantage of taking registration in GST?

(or)

- (b) Write about GSTIN.

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS

(FROM Qn. No : 17 to 21)

(K4 (Or) K5)

16. From the particulars given below compute the salary income of Mrs. Swati for the year ending on 31-3-2022.

- i) Net salary received after deduction of the following ₹ 1,50,000;
 - Income tax deducted at source ₹ 6,000; Own contribution to RPF ₹ 20,000;
 - Rent of residential house provided ₹ 4,000
- ii) Profit bonus ₹ 24,000; iii) Entertainment allowance ₹ 12,000 p.a.; iv) She went on tour for official purposes and received travelling allowance ₹ 6,000; v) She was ill and was treated in a notified hospital. Medical bills reimbursed ₹12,000; vi) She was provided with rent free house owned by company at Patna (Population 20 lakhs) company also provided a gardener to maintain this house. Salary of gardener paid by the company ₹ 500 p.m. vii) The electricity and water bill of the above house paid by the company 1,200 p.m.; viii) She was provided with a car of 1.2 Lt. CC. which was used partly for personal and partly for employment purposes.; ix) The company contributed ₹24,000 towards RPF.; x) She has taken interest free loan of ₹12,000 against salary during the year repayable in 6 equal monthly instalments starting from August 2021.

17. Mr. A an employee of Ranchi (Population 15 lakhs) based company provides the following particulars of his salary income:
- Basic salary ₹12,000 p.m.;
 - Profit bonus ₹12,000;
 - Commission turnover ₹42,000;
 - Entertainment allowance ₹2,000 p.m.;
 - Club facility ₹6,000;
 - Transport allowance ₹1,800 p.m.;
 - Free use of car of more than 1.6 lt. capacity for the both personal and employment purposes, expenses are met by employer;
 - Rent free house provided by employer. Lease rent paid by employer ₹6,000 p.m.;
 - Free education facility for three children of the employee (Bills issued in the name of employer) ₹22,500;
 - Gas, water and electricity bills issued in the name of employee paid but paid by employer ₹16,800.
- Compute income under the head salary for the assessment year 2022-23.
- 18.. From the following Profit and Loss Account of a manufacturer, calculate the income under the head 'Profits and Gains of Business of Profession' for the year ending on 31st March.

	Rs.		Rs.
Salaries to employees	1,95,000	Gross Profit	5,80,000
Advertisement expenses (in cash)	24,000	Interest on securities	14,000
General expenses	16,000	Income from house	25,000
Entertainment expenses	22,000	property	12,000
Bad debts	1,500	Bad debts recovered	
Drawings by the proprietor	24,000	(allowed earlier)	
Sales-tax (due and paid on 1-7-2016)	6,000		
Interest on proprietor's capital	7,000		
Repairs	2,500		
Rent	21,000		
Legal expenses	5,000		
Depreciation	15,000		
Bonus (due)	6,000		
Bonus to the proprietor	4,000		
Car purchased	72,000		
Expenses on car during the year	12,000		
Donations	2,000		
Provisions for bad debts	6,000		
Net Profit	1,90,000		
	6,31,000		6,31,000

From the examination of books of accounts, the following other information are available:

- Advertisement expenses were spent on insertions in news papers.
 - Rs.3,000 were spent on purchase of land and are included in legal expenses.
 - Half of the repair expenses were on let-out building.
 - Depreciation allowable on all assets including car is Rs.14,400.
 - Bonus was paid to employees on 30-06-2022 and date of filing of return is 31-7-2022.
19. Mr. Ghosh sold a house on 1-9-2021 for Rs. 15,00,000. This house was inherited by him during 2001-02 from his father who had constructed it in 1991-92 for Rs. 50,000. Mr. Ghosh spent Rs. 50,000 on renovation of the house in 2006-07. Fair market value of the house as on 1-4-2001 was Rs. 4,40,000.
- This house was under negotiations for sale in May, 2010 and he received Rs. 20,000 as advance money. The contract could not materialize and the advance money was forfeited. Compute the amount of capital gain assuming that he does not qualify for any exemption.
[C.I.I. for 2001-02: 100, 2006-07: 122, 2010-11: 167 & 2021-22: 317]
20. Describe the functions of GST council.
21. Explain in detail procedure of registration under GST.
