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(FOR THE CANDIDATES ADMITTED

SUB CODE

DURING THE ACADEMIC YEAR 2024 ONLY)

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS : MAY 2024

B.COM FINANCE

MAXIMUM MARKS: 50

SEMESTER IV

TIME : 3 HOURS

PART - III

INCOME TAX LAW & PRACTICE

SECTION - A (10 X 1 = 10MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Which one does not form part of total income of exempted income?
 - a) Individual Assessee's only
 - b) HUF only
 - c) Firm and company assessee only
 - d) All assesses.
2. What is the maximum deduction of entertainment allowance in case of government employees u/s 16 ii ?
 - a) Rs.7,500
 - b) Rs.5000
 - c) 15% of employees salary
 - d) 25% of Employees salary
3. Which of the following income from house property is not exempted from Tax _____
 - a) Annual value of any one of ex-Indian Ruler.
 - b) Income of local authority
 - c) Income from house property of salaried people
 - d) Income of charitable trust
4. Which is the gain of income from sale of house hold furniture?
 - a) Taxable
 - b) Exempted
 - c) Short term
 - d) Long term
5. Which of the following denotes carry forward and set-off losses?
 - a) Can be done in a given order of set-off
 - b) Can be done in any order
 - c) Cannot be done at all
 - d) Can be done with specific permission from government.

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. What is Gross total income?
7. What do you mean by perquisites?.
8. Who is deemed ownership?
9. What is meant by long term capital gain?
10. What is the nature of deduction?

(CON..2)

SECTION – B

(5 X3 = 15 MARKS)

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

11. a) State the points of residential status.

(OR)

b) Mr. Kumar is Indian citizen. At present he is in employment with a foreign company situated at Australia. During the PY 2022-23, he is in India for 52 days . Mr. Kumar is not assessed to tax in Australia or in any other country. Mr. Kumar has Rs. 15,50,000 as taxable income other than foreign income during the PY 2022-23. Determine the residential status for the PY 2022-23.

12.a) What is meant by entertainment allowance?.

(OR)

b) Explain the various types of pension?

13.a) Shri. Jayaraj owns a property at Chennai (Municipal value Rs.1, 60,000; fair rent Rs.1,80,000; Standard rent Rs.1,50,000) The house is let out upto September 30,2022 (monthly rent being RS.15,000). From October 1,2022, the property is self occupied for own residential purposes. Find out the gross annual value for the assessment 2023-24.

(OR)

b) From the following statements compute the business income.

a. Commission earned Rs. 20,000 b. Sales Rs.1,20,000 c. Purchases Rs.20,000 d. Staff salary Rs.11,000 e. Purchase of typewriter Rs.8,000.

14.a). State the procedures for computation of short-term capital gains.

(OR)

b). Somu purchased a plot of land worth Rs.20,00,000 on 1-6-2004. He negotiated to sell it and received Rs 10,000 but the sale did not materialise and Somu forfeited the advance. During 2008-09 the asset was gifted to his daughter Lalitha, who received an advance of Rs.60,000 for sale of property to Mr.X. However the sale didn't materialise and she retained the advance Mrs.Lalitha sold the property for Rs.95,000 on 1.11.22. CII for 2004-05:113; for 2008-09:137;for 2022-23:331.

15.a) What do you understand by set-off of losses?

(OR)

b) Enumerate the non availability of deductions.

SECTION - C

(5 X5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS(K4 (or) K5)

16. a) State the Residential status of individual and HUF.

(OR)

b) Head office of XY, a Hindu undivided family, is situated in Honkong. The family is managed by Y who is resident in India one 1 year out of 10 years proceeding the previous year 2022-23. Determine the residential status of the HUF for the assessment year 2023-24 if the affairs of the family business are (a) Wholly controlled from Hongkong: and (b) partly controlled from India.

17.a) Shri. Sankar receives the following emoluments during the previous year 2022-23.

Basic pay Rs.90,000, Commission 60% of Basic pay Rs.54,000, Entertainment allowance RS.12,000. Dearness Allowance (Forming part of salary) Rs.10,000.

Determine the deduction of EA from salary if-

- Shri.Sankar is a Government employee since 1974.
- Shri.Sankar is an employee of RBI since April 1953 and receiving entertainment allowance since then:
- He is an employee of Cavin ltd. Since 1952 and receiving entertainment allowance since then.

(OR)

b) Determine the Tax implication of each of the following facilities provided to the employee.

- a. If he is a specified employee
- b. If he is not a specified employee.

Facilities provided during 2022-23

1. Gas water and electricity for household consumption of employee from the employer's source. Cost incurred for such services is Rs.1,000 p.m
2. Provision by the employer of services of a sweeper, a gardener, a watchman and personal attendant. The actual cost to employer is Rs.400 p.m. per each these domestic servants.
3. Education facilities to children of employee in an institution owned by employer, cost per child is 2,000 p.m. provided for two children.
4. Employer's Car with 1.6 liters capacity used by employee partly for official and partly for personal purpose. Chauffeur (driver) is provided. Expenses are met by employer.

18.a) Mr. B has let out a house property for a monthly rent of Rs.20,000. Its Municipal valuation is Rs. 2,50,000 p.a. Its Fair Rental Value is Rs. 2,40,000 p.a.. It has been let out from 1-10-91. Mr. B paid Rs. 10,000 as municipal taxes. Municipal taxes paid by the tenant are Rs. 5,000, Rs. 3000 Municipal taxes are due but not paid. Out of Rs. 10,000 paid by B Rs. 2,000 related to subsequent two years. Find out the net annual value of the house property for the AY 2023-24. ?

(OR)

b) Mr. Rajan submits the following particulars of his business form which you calculate the income from business.

Net profits as per P/L a/c (after charging the following) Rs. 1,25,000

- a. Sales tax Rs.20,000 and Income Tax Rs.55,000
- b. Bad debts provision Rs.3000
- c. Commission to procure business order Rs.8,000
- d. Int. on capital Rs.38,000
- e. Depreciation Rs.4,000 (but as per income tax rules Rs.2,000 only)

19.a) Briefly explain the kinds of capital gains.

(OR)

b). Shri.Mani purchases 900 shares in Z Ltd (listed) on 10th April 2013.He is allotted 900 bonus shares on 20th April 2016.He sold 900 bonus shares at Rs.2,500 per share on 1st September 2022(STT is paid) FMV of the shares on 31/1/2018, Rs.400 per share.Income from other sources Rs.4,00,000.Compute the tax liability of Shri.Mani.

20.a)From the following particulars, compute the total income of Mr.David for the assessment year 2023-24.

Loss from house property Rs.2,60,000

Short term capital gain on sale of shares Rs.2,40,000

Long term capital loss on sales of bonds -Rs.85,000

Other sources:Interest on Government Securities Rs.1000.

The assessee had unabsorbed depreciation of Rs.25,000 being brought forward from 2021-22.Assessee had closed the business and all the assets have been disposed of.

(OR)

b) Explain briefly provisions regarding u/s 80c of Income tax Act 1961.1