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Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, NOVEMBER 2023

Third Semester

Faculty of Commerce

CM 010 302—INCOME TAX—LAW AND PRACTICE

(2019 Admissions onwards)

(Common for all Branches)

Time : Three Hours

Maximum Weight : 30

Section A

*Answer any **eight** questions.*

Weight 1 each.

*Answer shall not exceed **one page**.*

1. Who is an Assessee ?
2. Mr. X has a business income of Rs. 3,00,000 and agricultural income of Rs. 4,00,000. These figures relate to the Assessment year 2022-23. How will his tax liability be computed ?
3. Mr. X left India for the first time on November 21, 2020. During the financial year 2020-21, he came to India once on May 20 for a period of 46 days. Determine his residential status for the assessment year 2022-23.
4. Mr. Y is employed at Ambala on a salary of Rs. 24,000 p.m. The employer is paying HRA of Rs. 2,800 p.m. but the actual rent paid by him is Rs. 4,000. He is getting 2 % commission on turnover achieved by him and turnover is Rs. 12,00,000. Compute Taxable HRA.
5. Mrs. X is an employee getting monthly salary of Rs. 10,000 plus a DA of Rs. 1,000 per month. She contributes 14 % of her salary and DA to a recognized provident fund to which her employer contributes an-equal amount. Interest on provident Fund is determined @ 14 % per annum which amounted to Rs. 4,200 for the previous year. Find the value of annual accretion.
6. The total income of an individual for the Assessment year 2022-23 has been determined by the assessing officer 3,50,000. Later it is found that he has not considered the following while determining the income :

Depreciation for the current year 12,000.

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Unabsorbed depreciation carried forward 15,000.

Unabsorbed business losses carried forward from the AY 2017-18 3,000.

Determine the Gross Total income for the Assessment Year 2022-23.

7. What do you mean by Casual Income ?
8. What do you mean by Block of Assets ?
9. Explain the treatment of income of minor child.
10. What you mean by TCS ?

(8 × 1 = 8)

Section B

*Answer any **six** questions.*

Weight 2 each.

*Answer shall not exceed **two** pages.*

11. Master X (age 16 years) has the following income during 2021-22 :

Interest on bank fixed deposit—Rs. 75,000.

Interest on Govt Securities—Rs. 80,000.

Interest on debentures—Rs. 40,000.

Income by acting in a film—Rs. 2,00,000.

Income by a singing concert held by him—Rs. 50,000.

His father's total income Rs. 5,09,000 and his mother's total income Rs. 5,09,100. Decide about the person in whose hands the above incomes shall be taxable and the amount of income to be taxed.

12. On 1-08-1997 Mr. X purchased a plot for Rs. 40,000. The fair market value of the plot on 01-04-2001 was Rs. 80,000. On 3-08-2022 Mr. X sold the plot for Rs. 15,00,000 and paid brokerage, etc. @ 2 % on sales consideration. Out of the sale consideration he invested Rs. 7,35,000 in the construction of a residential house which was completed before 30-06-2018. Compute taxable amount of capital gains of Mr. X for the Assessment Year 2022-23 assuming that he does not own any other residential house.
13. From the following particulars of income of A and B calculate Gross Total income after set off and carry forwards of losses ?

A

Business income—Rs. 1,15,000

STCL—Rs. 1,200

LTCG—Rs. 7,200

B

Business income—Rs. 1,60,000

STCG—Rs. 20,000 and LTCG (land)—Rs. 17,000

B/F STCL—Rs. 50,000





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14. Mr. X is employed in ABC Co. at 19,500 p.m. He is a member of Recognised Provident Fund to which he and his employer contribute 14 % of his salary. During the year he was given credit of 8400 as interest on the provident fund balance of 70,000. Calculate the taxable amount of annual accretion to be included in his income under the head 'Salaries'.
15. Gross total income of Mrs. X is Rs. 6,75,000. She deposited in RPF Rs. 50,000. She paid a donation to a Political Party Rs. 10,000 by Cheque and Prime Minister's National Relief fund Rs. 15,000 by Cheque. She paid medical insurance premia on the health of her spouse aged 47 years Rs. 27,000 by cheque. Compute her total income for AY 2022-23.
16. Explain Bond washing Transaction.
17. What are the conditions for carry forward of losses ?
18. Write a short note on transactions not regarded as Transfer u/s 47.

(6 × 2 = 12)

Section C

*Answer any **two** questions.*

Weight 5 each.

*Answer shall not exceed **five** pages.*

19. Shri Hanuman Prasad has the following incomes for the previous year ending on 31st March 2022 :

	Rs.
Income from salary in India from a company	... 50,000
Dividend from an Indian company received in England and spent there	... 10,000
Income from house property in India received in Pakistan	... 20,000
Dividend from a foreign company received in England and deposited in a bank there	... 10,000
Income from business in Kolkata, Managed from USA	... 20,000
Income from business in USA (controlled from Kanpur Head)	... 12,000
Income was earned in Australia and received there, brought into India	... 25,000
His maternal uncle sent a Bank overdraft from France as a gift to him on his marriage	... 20,000

Compute his gross total income.

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20. The following incomes were received by Mr. X during the year 2021-22 :

- (a) Honorarium received for writing articles in magazines—10,000.
- (b) Income from agriculture abroad—25,000.
- (c) Ground rent from land in India—50,000.
- (d) Interest from POSB Account—3,500
- (e) Interest on deposits with Industrial Finance Corporation—Rs. 2,500.
- (f) Dividend from foreign company—Rs. 35,000.
- (g) Rent from letting of building along with plant 20,000 (Repairs to the above said plant 1,000).
- (h) Winning from horse race—Rs. 20,000.
- (i) Interest on Rs. 1,20,000 10 % tax free debentures of a listed company in India. Calculate Income from other sources of Mr. X for the previous year 2022-23.

21. Shri Rajeev furnished the following particulars of his income for the Financial Year 2021-22 :

Salary	15,000 p.m.
Dearness Allowance	1250 p.m.
Entertainment Allowance	1,000 p.m.
Employers and employee's contribution to recognized provident fund 24,000 each	
Interest from Provident fund	@ 9.5 % 19,000
City compensatory Allowance	200 p.m.
Medical Allowance	10,000

He has been provided with the facility of an unfurnished house by the employer in a town (population less than 10 lakh) for which the employer charges 500 p.m. The fair rent of the house is 30,000 pa. The house is owned by the employer.

The employer has employed for him a sweeper @ 200 p.m. and a-servant @ 750 p.m. Compute the taxable income under the head Salary for the Assessment Year 2022-23.

22. Write an essay on the determination of residential status of an individual and Incidence of Tax.

(2 × 5 = 10)

