

23004352



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Reg. No.....

Name.....

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

Fourth Semester

Faculty of Commerce

CM 010 402—INCOME TAX : ASSESSMENT AND PROCEDURE

(2019 Admission onwards)

Time : Three Hours

Maximum Weight : 30

Part A (Short Answer Questions)

*Answer any **eight** questions.
Weight 1 each.*

1. What you mean by TCS ?
2. What you mean by PAYE ?
3. From the following calculate the tax payable by Mr. A for the Assessment Year 2022-23 :

Rs.

Agricultural income	...	10,000
Non-Agricultural income	...	6,20,000
Contribution to Public Provident Fund	...	10,000

4. The following details have been supplied by the Karta of HUF. Compute the total income of the family for the Assessment Year 2022-23 :

Rs.

(a) Business profits	...	3,52,000
(b) Rent received from house property	...	42,000
(c) Local taxes on the above property paid	...	3,600
(d) Donation to an approved school by cheque	...	10,000

5. What is Defective return of Income ?
6. For the previous year 2021-22 of A is calculated as follows :

Rs.

Net profit as per Profit and Loss Account	...	68,00,000
Less : Deduction u/s 10AA (Income of unit in special economic zone)	...	<u>63,00,000</u>
Profits and gains from business (Total Income)		5,00,000

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Calculate the tax liability of Mr. A for the Assessment Year 2022-23, keeping in view the provisions of Alternate Minimum Tax.

7. From the following data for the AY 2022-23, you are required to find out the total income and tax liability on self-assessment by Mr A, a person above 60 years.

Pension 1,95,000 Interest on Company Deposits 75,000 Long term Capital Gains 83,000 Investment in National Savings Certificate VIII series 10,000.

8. What do you mean by Tax avoidance ?
 9. What do you mean by Book Profit ?
 10. Define Trust.

(8 × 1 = 8)

Part B (Short Essay/Problems)

*Answer any **six** questions.
 Weight 2 each.*

11. From the following information compute total income and net tax liability of Mrs.A for the Assessment Year 2022-23 :

		Rs.
1. Income from House property (computed)	...	95,000
2. Interest on Government Securities	...	75,000
3. Winning from Lottery	...	1,00,000
4. Donation to P.M. National relief Fund by cheque	...	50,000
5. Salary income (Computed)	...	3,00,000

12. The Karta of H.U.F. furnishes the following particulars of the income of the HUF for the Assessment Year 2022-23 :

		Rs.
1 Income from House Property	...	3,52,000
2 Long term capital gains	...	31,000
3 Interest on Govt securities	...	9,000
4 Interest on other securities	...	1,000

The family donated 30,000 for charitable purpose by cheque. Compute the tax liability of the HUF for the Assessment Year 2022-23.





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13. A, B and C are partners in a firm with equal shares. The Profit and Loss Account of the firm for the year ended 31st March 2022 is as under:

<i>Particulars</i>	<i>Amount Rs.</i>	<i>Particulars</i>	<i>Amount Rs.</i>
Interest on Capital @ 12 %		Gross Profit	9,000
A 8,000		Loss :	
B 7,000			
C 9,000	24,000	A 1,25,000	
Salary		B 1,25,000	3,75,000
A 1,20,000		C 1,25,000	
B 1,20,000			
C 1,20,000	3,60,000		
	3,84,000		3,84,000

Compute book profit and the total income of the firm for the Assessment Year 2022-23. The firm fulfills the conditions of Sec 184.

14. An association of Persons has 3 members who share profits and losses equally. The profit of the AOP as per its Profit and Loss Account is 3,90,000 after debiting the following to its Profit Loss Account.
1. Remuneration to members of AOP—62,000.
 2. Interest on Capital to members—70,000
 3. Depreciation on Assets—60,000

Depreciation allowable is only 50,000. Compute the tax payable by AOP, if none of the members of AOP has income exceeding the non-taxable limits.

15. What is Voluntary Return of Income ?
16. Explain Best Judgment Assessment.
17. Explain the residential status of a company.
18. Differentiate between Tax Planning and Tax Avoidance.

(6 × 2 = 12)

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Part C (Essay Type Questions)*Answer any two questions.**Weight 5 each.*

19. From the following particulars of Mr. A calculate his gross tax liability for the Assessment Year 2022-23 :

	Rs.
Salary	... 1,89,000
Business Income	... 4,70,000
Royalty on books for colleges	... 30,000
Rent from House Property	... 20,000
Dividend Income	... 15,200
Interest on Govt. Securities	... 8,800
Income of a Minor Son	... 15,000
Long -Term Capital Gains	... 30,000
Contribution to P.P. F	... 30,000
Life Insurance Premium Paid	... 10,000
Health Insurance Premium Paid by cheque	... 8,000
Donation to National Defence Fund by cheque	... 5,000

20. From the following information for the PY 2020-21 , compute the total income of Rural Co-operative society and Tax liability. Interest on securities Rs. 5,000. Income from HP Computed Rs, 7,000. Income from Lottery Rs. 3,000. Income from cycle business Rs. 8,000. Divident from another Co-operative society Rs. 1,500.
21. Explain Assessment Procedures.
22. Explain Tax Planning for Individuals ?

 $(2 \times 5 = 10)$ 