

**3 MJ 40106/3 MJ 50106**

THREE YEAR B.Com. (General) DEGREE EXAMINATION, NOVEMBER/DECEMBER 2024.

THIRD SEMESTER

INCOME TAX

Time : Three hours

Maximum : 75 marks

(No additional sheet will be supplied)

PART A — (5 × 5 = 25 marks)

Answer any FIVE of the following questions.

1. Previous year and Assessment Year
2. Allowances
3. Deductions U/S 24
4. Types of capital assets
5. Deductions u/s 80C
6. Agriculture Income
7. Profits in Lieu of salary
8. Define Business.
9. Person
10. Standard Rent

PART B — (5 × 10 = 50 marks)

Answer ALL of the following questions.

11. Mention any ten Exempted Incomes Under Section 10.

Or

12. Following are the incomes of Miss. Arpitha for the current year.

	Rs.
(a) Profit from the business in Bangalore	20,000
(b) Income accrued in India but received in Japan	16,000
(c) Profit from business in Canada but received in India	15,000
(d) Income from House property in Karachi received in Mumbai	25,000
(e) Income from House property from America and deposited there	18,000
(f) Income from Indian dividends	12,000

Compute the total of Miss Arpitha if she is

- (i) Resident
- (ii) Not Ordinary Resident
- (iii) Non-Resident

13. From the following find out the taxable salary of Mr. Raju working at Chennai :

- (a) Salary Rs. 48,000 P.M
- (b) DA Rs. 6,000 RM
- (c) Bonus Rs. 33,000 RM
- (d) Employer contribution to employee recognized PF 14% of basic salary
- (e) Rent free accommodation (unfurnished) fair rental value is Rs. 2,00,000 P.A
- (f) A car (1.4 liters in capacity) is provided by employer. All expenses are born by employer. It is used both for performance of duties and private purpose. Car was used by employee for only 11 months during the year
- (g) She paid professional tax of Rs. 200
- (h) He received Rs. 1,000 P.M as fixed medical allowance.

Or

14. Calculate the salary income of Sri Virot from the following details for the previous year 2022-23 :

- (a) Basic salary Rs. 25,000
- (b) DA 40% of salary
- (c) Commission on sales Rs. 50,000
- (d) HRA Rs. 60,000
- (e) Medical Allowance Rs. 8,000
- (f) Employer and Employee contribution to RPF 16% of salary
- (g) Interest credited in RPF account Rs. 9,600 @ 12%
- (h) Children education allowance P.M Rs. 3,200 for 2 children

15. From the particulars given below compute income from house property which consists of two independent units having 1/3 and 2/3 :

Date of completion	1-11-2024
Municipal Rental Value	Rs. 1,20,000
Fair Rental Value	Rs. 1,80,000
Self occupied	2/3 portion
Let-out	1/3 portion from 1.4.2024 to 31.8.2024 @ 10,000 PM and self occupied from 1.9.2024 onwards
Municipal taxes	Rs. 12,000
Free Insurance Premium	Rs. 4,000
Ground Rent	Rs. 8,000
Interest on Loan	Rs. 15,000

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16. The following is the profit and loss a/c for the year ending with 31 March prepare by the owner of a business compute from business for the current assessment year.

Profit & Loss A/C			
Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To		By	
Proprietors salary	10,000	Gross profit	50,000
Salaries to staff	12,000	Profit on the sale of car	15,000
General expenses	7,000	Bad debts recovered	5,000
Interest on capital	2,000	Interest on Govt.	
Insurance premium (Fire)	5,000	Securities	4,000
Advertisements	2,700	Dividends	4,000
Depreciation	3,000	Interest on post office	4,000
Provision for bad debts	1,000	Savings a/c	
Income tax	4,000		
Donation to schools	3,000		
Car expenses	3,000		
Net profits	29,300		
Total	<u>82,000</u>	Total	<u>82,000</u>

Other Information :

- (a) As per the income tax regulations, depreciation is Rs. 2,500 only
- (b) General expenses included the printing expenses incurred for the calendars Rs. 500
- (c) Advertisements included the expenses incurred for the distribution of pamphlets Rs. 1,000
17. Ms Saradha purchases 1000 equity shares in good luck limited an unlisted company, at a cost of Rs. 30 per share (brokerage 1%) in January 1996. She gets 100 bonus shares in August 2000. She gets 1100 bonus shares by virtue of her holding on February 2006. Fair market value of the shares of good lick ltd on 1<sup>st</sup> April, 2001 is Rs. 80. On 1<sup>st</sup> January 2022, she transfers all her shares @ Rs. 200 per share (brokerage 2%).

Compute the capital gains taxable in the hands of MS. Saradha for the A.Y. 2022-23.

Note : CII F.Y. 2001-02:100, 2005-06:117, 2021-22: 317.

Or

18. Mr. Vamsi, a resident in India earned the following incomes. Compute taxable Income under the head income from other sources for the current assessment year.

	Rs.
(a) Interest on securities	6,000
(b) Winning from horse race	12,500
(c) Dividend from a foreign company	26,000
(d) Interest on postal savings bank account	2,000
(e) Income from agricultural land in Bangladesh	20,000
(f) Received a gift of wrist watch from his cousin	5,000
(g) Directors fees	1,800

19. Write deductions u/s 80C to 80U of income Tax Act 1961.

Or

20. The Following incomes and losses of Anji were extracted from his records. Calculate taxable incomes for the current assessment year.

	Rs.
(a) Long term capital gain	3,30,000
(b) Short term capital gain	50,000
(c) Interest on fixed deposit	10,000
(d) Winning from lottery (gross)	10,000
(e) Deposited in NSC VIII issue	15,000
(f) Deposit in pension scheme u/s 80 CCC	30,000
(g) Income from salary computed	2,00,000