

TB205180V

Reg. No :

Name :

B. Com. DEGREE (C.B.C.S.) EXAMINATION, NOVEMBER 2022
2020 ADMISSIONS REGULAR AND 2019, 2018 ADMISSIONS SUPPLEMENTARY
SEMESTER V - OPTIONAL CORE (COMMERCE)
(For B. Com (Finance & Taxation)
CO5B19AB18 - INCOME TAX I

Time : 3 Hours

Maximum Marks : 80

Part A

I. Answer any Ten questions. Each question carries 2 marks

(10x2=20)

1. In which previous year income of a person leaving India will be taxed?
2. What is return of income?
3. What is partly agricultural income?
4. When an HUF becomes resident in India?
5. Write a short note on Rebatable Income.
6. Explain the tax treatment of pension and family pension.
7. Explain the tax treatment of VRS.
8. What is the tax treatment of entertainment allowance to Govt. employees?
9. Cite any four exempted incomes from HP.
10. Discuss the tax treatment of HP used for own business.
11. What is additional depreciation?
12. Discuss the treatment of 'sales tax' while dealing with business income?

Part B

II. Answer any Six questions. Each question carries 5 marks

(6x5=30)

13. Briefly explain the Income Tax Law in India.
14. Write a note on agricultural income in India.
15. Explain the treatment of exempted incomes (a) agricultural income and (b) gratuity.
16. Mr. Ramesh, who was born and brought up in India, went for further studies to the U.K. on 1st March, 2020 and came back to India on 1st October, 2021 early in the morning. Find out his residential status for AY 2022-23.
17. Discuss allowance. Explain the tax treatment of HRA.
18. Mr. Yogesh is employed at Amritsar on a salary of Rs.24,000 p.m. The employer is paying HRA of Rs.2,800 p.m. but actual rent paid by him is Rs.4,000 p.m. He is also getting 2% commission on turnover achieved by him and turnover is Rs.12,00,000. Compute his Gross salary.
19. Explain the deductions under section 24, under income from house property.
20. Sri Pramod owns a house property. Its annual letting value is Rs.80,000. During the PY it was let out to a tenant on monthly rent of Rs.7,000. He claimed the following expenses actually incurred by him:
 - Municipal taxes Rs.8,000
 - Rent Collection Charges Rs.600
 - Maintenance allowance paid to his step mother Rs.12,000 annually which was a charge on the property according to his father's will.

The house remained vacant for one month during the PY. Find out his income from house property for the AY 2022-23.

21. Give any five expenses allowed under section 37 under the head income from business or profession.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Following are the incomes of Shri Amarnath for the Financial Year 2021-22:

- Interest on Savings Bank Deposits in Allahabad Bank, Delhi – Rs.1,200
- Income from agriculture in Africa invested in Nepal – Rs.10,000
- Dividends received in U.K. from an American Company, out of which Rs.2,000 were remitted to India – Rs.10,000
- Income from Salary for three months for working in Indian Embassy's Office in Australia and salary received there (computed) – 72,000
- Income from house property (The building is situated in Pakistan, out of which Rs.10,000 deposited in bank in Pakistan and the balance remitted to India) – Rs.15,000
- Pension income in Belgium for services rendered in India with a limited company – Rs.20,000

You are required to compute his gross total income for the AY 2022-23 if he is : (a) Resident; (b) Not Ordinarily resident and (c) Non-resident and comment on the taxability of Shri Amarnath.

23. Explain the valuation of rent free house in different circumstances under the head Income from Salaries. Compute the value of the rent free accommodation of Mr.X, who is employed in an Indian Company and gets salary at the rate of Rs.16,000 p.m., DA Rs.800 p.m. and city compensatory allowance Rs.400 p.m. He has been provided with rent free accommodation by the Company in a town (population 9 lakh), fair rental value of which is Rs.1,500 p.m.
24. Mr. Shinoy owns two houses. He claims that both the houses are self occupied. The following details are available:

Particulars	House Property I	House Property II
Fair rental value	1,50,000	2,00,000
Municipal rental value	1,60,000	3,50,000
Standard rent	1,80,000	3,00,000
Municipal tax	10%	10%
Land tax	500	1,050
Interest on loan taken for construction of the house	40,000	1,70,000
Repairs to house	60,000	20,000

Compute Income from House Property of Mr. Shinoy.

25. Shri Arun Kumar is a Chartered Accountant. He has prepared the following Income & Expenditure Account for the year ending 31st March 2022:

Expenses	Amount	Income	Amount
Office expenses	10,000	Audit fees	3,70,000
Employee's Salary	5,000	Gift from Father in Law	5,050
Books other than annual publication	5,500	Dividend	8,500

Personal expenses	3,02,000	Profit on Sale of Investment	6,450
Donation to NDF	500		
Interest on loan	700		
Income Tax	13,300		
Car expenses	2,000		
Net surplus	51,000		
	3,90,000		3,90,000

You are required to compute his **Professional Income** for the AY 2022-23 considering following points:

- The car is used equally in official and personal purpose and allowed depreciation for official work is Rs.500
- Rs.1000 domestic servant salary is included in employees' salary
- Loan has been taken for personal purposes
- Allow depreciation on books @ 40%