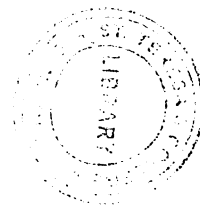


MASTER'S DEGREE (C.S.S) EXAMINATION, FEBRUARY 2024**2022 ADMISSIONS SUPPLEMENTARY (SAY)****SEMESTER III - M. Com****CO3C12TM20 - Income Tax Law and Practice****Time : 3 Hours****Maximum Weight : 30****Part A****I. Answer any Eight questions. Each question carries 1 weight****(8x1=8)**

1. Compare and Contrast Total income and Gross Total income.
2. Which are the situations in which income is assessed for tax during the same year?
3. What is entertainment allowance? How to calculate deduction in the case of Government employees?
4. If the let-out house remains vacant for part of P.Y, how would you treat it in computing the Income from House Property?
5. In computing income from business, what are the provisions relating to the following expenses: a) Expenses on scientific research, b) Deduction in respect of tea, coffee, and rubber development
6. Write a short note on Bond washing transactions.
7. Explain the term "Gross Total Income".
8. Explain the provisions regarding the set-off of losses while computing the total income.
9. Explain deductions under Sec 80GG.
10. Explain the deduction under Sec80DDB.

**Part B****II. Answer any Six questions. Each question carries 2 weight****(6x2=12)**

11. Mr. E, an English citizen, leaves India after 10 years of stay on 15.06.2021 to settle down in China for doing business. During 2022-23, he visits India on 03-01-2023 and leaves on the last day of March 2023. Determine his residential status.
12. From the following details calculate taxable leave salary of Mr. Mahesh for the previous year 2022-23. Leave salary received Rs. 4,00,000 Monthly salary at the time of retirement: Basic salary Rs 14,000, D A Rs. 4000, Entertainment allowance Rs. 1000 Duration of service : 23 years and 8 months. Leave allowed by the employer: 40 days for each year of service. Leave availed while in service: 4 months. Assume that Mr. Mahesh was working in a private limited company.
13. Find out the value of motor car provided to the employee and it is owned by the employer:
 1. Large car, all expenses are paid by the employer which is Rs. 70,000 and the cost of the car is Rs. 5,50,000. The car is used only for personal purposes.
 2. Small car, all expenses are paid by the employer. The car is used only for official purposes.
 3. Small car, used for both private and official purposes, and all expenses are paid by the employer.
 4. Small car which the employee uses for personal and official purposes. The employee meets the expenses for personal purposes out of his pocket.
 5. Large car, used for both private and official purposes, and all expenses are paid by the employer. The driver is also provided by the employer.
14. Write a short note on deductions expressly disallowed from business.

15. WDV of block of assets of a firm on 1-4-2021 was Rs. 7,00,000. Additional assets purchased during the year was Rs. 1,00,000. The entire assets were sold for Rs. 6,00,000. Compute Capital gain.
16. Mr. Denny purchased a building in June 2002 for Rs. 5,00,000. During March 2012 he spent Rs 7,00,000 for additions to the building and sold the same in February 2023 for Rs. 6,00,000. Selling expense Rs 50,000. Find out the taxable capital gains. Cost inflation index: 2002-03 - 105, 2011-12- 184, 2022-23- 331.
17. Write a note on Clubbing the income of the minor child.
18. Mr. Vivek's GTI for the PY was Rs. 5,00,000. He made the following donations by cheques: a) Maharashtra Chief Minister's Earthquake Relief Fund - Rs. 10,000 b) National Foundations for Communal Harmony - Rs. 15,000 c) Rs. 10,000 to an Educational institution of National Eminence d) Rs. 5,000 to National Children's Fund e) To Municipal Corporation for promotion of family planning - Rs. 40,000 f) To minority Community Corporation (Notified) - Rs. 25,000 Compute his total income .

Part C

III. Answer any Two questions. Each question carries 5 weight

(2x5=10)

19. Compute income from salary of Mr. Mughan :

- Salary - Rs. 27,500 p.m.
- DA - Rs. 16,500 p.m.
- A small car has been provided for both personal and official purposes.
- An Unfurnished rent-free house in Delhi is given to him. The house was owned by the employer, the fair value of it is Rs. 35,000.
- His contribution to RPF is 15% of salary and the employer is also contributing the same amount.
- Interest credited to RPF is Rs. 5,600 which is 14%.
- He is provided with free meals for 250 days costing Rs. 50 per meal.
- Professional tax paid by the employee amounts to Rs. 1,000.



20. Dr. Rajan is a medical practitioner. He gives you the following summary of cash book for the current previous year.

Receipts and Payments a/c for the year ended 31/3/2023

Balance (opening)	1,00,000	Rent of clinic	1,80,000
Consultation fee	6,00,000	Purchase of medicines	3,80,000
Visiting fees	4,50,000	Staff salaries	2,80,000
Gifts and presents	80,000	Surgical equipments	4,00,000
Sale of medicines	4,20,000	Motor car expenses	80,000
Dividend from UTI	60,000	Purchase of car	10,00,000
Insurance maturity sum	10,00,000	Household expenses	70,000
Dividend on shares	60,000	Balance(closing)	3,80,000
	27,70,000		27,70,000

other informations:

1. 50% of the motor car expense are incurred in connection with profession. The car was purchased in December 2021.
2. Household expenses include Rs 6800 insurance premium.
3. Gifts and presents include Rs 30,000 from friends and relatives.
4. Closing stock for medicines Rs 1,20,000, opening stock on 1/4/2022 was Rs 40,000.
5. Depreciation of car and surgical equipments at 15%.

Compute his taxable income from profession.

21. Ms. Komal furnishes the following particulars of her income . Compute income from other sources.

1. Dividend from a tea company Rs.2,500 (gross) (60% of the income of the company is agricultural).
2. Amount won from horse race Rs.50,000.
3. Interim dividend declared by X Ltd. in January 2023, but the payment was received in June 2023 for which dividend warrants were dispatched in May 2020. Amount received as dividend Rs.8,000.
4. Dividend declared by P Ltd. in January 2023 dividend warrants were dispatched in February 2023 and the payment was received in March 2023, Rs.8,970 (Net)
5. Winnings from lottery Rs.1,00,000.
6. Interest received on Post Office Cumulative Time Deposit Rs.1, 000 and on deposit with a firm Rs.36,000.
7. Dividend received from a co-operative society Rs.5,000
8. Income from non-agricultural land Rs.35,000

Ms. Komal claims deduction for the following expenses.

Bank commission Rs.100 for collecting dividends from companies. Interest on loan taken to purchase shares in tea company Rs.800. Expenses incurred for purchasing lottery tickets Rs. 2,000. Expenditure on maintaining race horse Rs.12,000.

22. The income of the family of Mr. John during the financial year was as under.

Mr. John	Income from business Rs 2,00,000 Lottery winnings Rs 1,00,000
Mrs. Johncy, wife of John	Salary Rs 1,00,000 (computed) Income from tutions Rs 50,000

Jain, Minor son of John	Interest on bank deposit Rs 10,000 Remuneration for acting in films Rs 2,50,000
Joyal, physically handicapped minor son	Interest on bank deposit Rs 15,000 Income from running a call centre Rs 20,000
Jincy, minor daughter of John	Income from interest on securities Rs 40,000 From dance programme Rs 5000

Compute gross total income of each member of the family.

