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G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI – 628 502.



UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 2024.

(For those admitted in June 2021 and later)

PROGRAMME AND BRANCH: B.Com. PROFESSIONAL ACCOUNTING

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
V	PART - III	CORE	U21PA512	INCOME TAX LAW AND PRACTICES - I

Date & Session: 11.11.2024 / FN

Time : 3 Hours

Maximum: 75 Marks

Course Outcome	Bloom's K-level	Q. No.	SECTION – A (10 X 1 = 10 Marks) Answer <u>ALL</u> Questions.
CO1	K1	1.	Income tax is _____. a) Business Tax b) A direct Tax c) An indirect Tax d) Corporate Tax
CO1	K2	2.	Agriculture income from land situated in India. a) Taxable b) Partly Taxable c) Partly Exempted d) Exempted
CO2	K1	3.	Education allowance is exempted for. a) One children b) Two children c) Three children d) Four children
CO2	K2	4.	Statutory Provident fund is maintained by _____. a) Govt. Office b) Both (a) & (b) c) Private Office d) All of the above
CO3	K1	5.	'Annual value' is chargeable to tax under the head: a) Income from business b) Income from house property c) Income from salary d) Income from other sources
CO3	K2	6.	Rent collected for similar properties in neighbourhood is called _____. a) Standard rent b) Actual rent c) Fair rent d) State rent
CO4	K1	7.	Profits earned from illegal business are _____. a) Taxable b) Treated as 'other income' c) Tax free d) Ignored by tax authorities
CO4	K2	8.	Gifts from clients are: a) Business Income b) Capital Gains c) Professional Income d) Income from other sources
CO5	K1	9.	Which of the following is not a capital asset? a) Agriculture land b) jewellery c) Stock-in-trade d) goodwill
CO5	K2	10.	Any cost which is proportionately converted with "Cost Inflation Index" is termed as: a) Cost of acquisition b) Cost c) Cost of improvement d) Index Cost
Course Outcome	Bloom's K-level	Q. No.	SECTION – B (5 X 5 = 25 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)
CO1	K3	11a.	Cite the instances for non-agricultural income. (OR)
CO1	K3	11b.	Ms. Revathi came to India for the first time on 1st September 2022. During her stay in India up to 6th November, 2023 she stayed at Kolkata up to 31st May, 2023 and thereafter remained in Tamilnadu till her departure from India. Determine her residential status for the

			A. Y 2023-24?																												
CO2	K3	12a.	Ms. Sharmila resides in Chennai, gets Rs.3,00,000 p.a. basic salary, D.A (enter into service benefits) Rs.40,000 and 2% commission on turnover achieved by her. Turnover achieved by her during the previous year is Rs.3,00,000. She receives Rs.60,000 as HRA though she pays a rent of Rs.80,000 p.a. Determine the taxable and exempted portions of HRA. (OR)																												
CO2	K3	12b.	Ms. Shailaja is a Government employee getting a salary of Rs.30,000 p.m. D.A (forming part of Salary) Rs.6,000 p.m. and entertainment allowance Rs.2,000 p.m. compute the deduction u/s 16(ii) allowable from gross salary.																												
CO3	K4	13a.	From the following particulars, Compute the GAV. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Municipal value</td> <td style="text-align: right;">36,000</td> </tr> <tr> <td>Fair Rental Value</td> <td style="text-align: right;">33,000</td> </tr> <tr> <td>Standard Rent</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Annual Rental Value</td> <td style="text-align: right;">42,000</td> </tr> <tr> <td>Loss due to Vacancy</td> <td style="text-align: right;">2 Months</td> </tr> </tbody> </table> (OR)		Rs.	Municipal value	36,000	Fair Rental Value	33,000	Standard Rent	30,000	Annual Rental Value	42,000	Loss due to Vacancy	2 Months																
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CO3	K4	13b.	From the following, calculate Net Annual Value. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>MRV</td> <td style="text-align: right;">1,00,000 p.a.</td> </tr> <tr> <td>FRV</td> <td style="text-align: right;">1,10,000 p.a.</td> </tr> <tr> <td>SRV</td> <td style="text-align: right;">1,20,000 p.a.</td> </tr> <tr> <td>Actual Rent</td> <td style="text-align: right;">1,32,000 p.a.</td> </tr> </tbody> </table> Municipal tax is @ 10% of municipal value and sanitation tax is @ 2%.	Particulars	Amount Rs.	MRV	1,00,000 p.a.	FRV	1,10,000 p.a.	SRV	1,20,000 p.a.	Actual Rent	1,32,000 p.a.																		
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CO4	K4	14a.	From the following P&L A/c of Mr.Mani, Calculate his taxable Income from Business for the P.Y.2023-2024. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount Rs.</th> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>To Salary to Staff</td> <td style="text-align: right;">48,000</td> <td>By Gross Profit</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td>To Donation</td> <td style="text-align: right;">6,000</td> <td>By Income from HP</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>To Electricity</td> <td style="text-align: right;">5,000</td> <td>By Dividend from Investment</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>To Provision for bad debt</td> <td style="text-align: right;">3,000</td> <td></td> <td></td> </tr> <tr> <td>To Net Profit</td> <td style="text-align: right;">33,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">95,000</td> <td></td> <td style="text-align: right;">95,000</td> </tr> </tbody> </table> (OR)	Particulars	Amount Rs.	Particulars	Amount Rs.	To Salary to Staff	48,000	By Gross Profit	75,000	To Donation	6,000	By Income from HP	15,000	To Electricity	5,000	By Dividend from Investment	5,000	To Provision for bad debt	3,000			To Net Profit	33,000				95,000		95,000
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CO4	K4	14b.	Mr.Alamu's Profit and Loss account showed a net profit of Rs.2,25,000 after crediting the following income. Compute his taxable income from business. a) Income from house property Rs.35,000 b) Income from other sources Rs.25,000 c) Income from Capital Gain Rs.15,000 d) Bad debts recovered and it was allowed as deduction in the earlier years Rs.10,000.																												

CO5	K5	15a.	<p>Compute the taxable capital gain from particulars given below:</p> <p>(i) Net consideration of a residential house Rs.10,00,000 (2-6-2023) [C.I.I.: 348]</p> <p>(ii) Cost of acquisition of this house Rs.2,10,000 (1-5-2007) [C.I.I.: 129]</p> <p>(iii) New House acquired on 1-9-2023 for Rs.2,00,000.</p> <p style="text-align: center;">(OR)</p>
CO5	K5	15b.	<p>Mr.Deepan bought a residential house during 2018-19 for Rs.1,00,000. He made a additional construction during 2020-2021 for Rs.50,000. He sold that house for Rs.3,60,000 on 11.11.2022, for which he paid a brokerage of 1%. He bought another residential house for Rs.1,40,000 on 02.02.2023. Compute the taxable capital gain. C.I. I for 2018-19: 280; 2020-21 : 301, 2023-24 : 348</p>

Course Outcome	Bloom's K-level	Q. No.	SECTION – C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)				
CO1	K3	16a.	<p>Examine any ten exemptions available under section 10.</p> <p style="text-align: center;">(OR)</p>				
CO1	K3	16b.	<p>From the following particulars of Mr.Mohan. Calculate total income if he is OR, NOR and NR.</p> <ul style="list-style-type: none"> ❖ Profit from a business in Delhi, but received in Singapore Rs.40,000 ❖ Income from agriculture in Tamil Nadu, received in Delhi Rs.25,000 ❖ Profit on sale plant at Sri Lanka (one third is received in India) Rs.30,000 ❖ Profit on sale of plant at Bombay (one half is received in Singapore) Rs.40,000 ❖ Income from agriculture in Sri Lanka, remitted to India Rs.20,000 ❖ Income from business in Singapore business being controlled from Chennai (Rs.20,000 received in India) Rs.70,000 ❖ Interest on loan to Menon, a non-resident on the loan provided to him for a business in India Rs.50,000 				
CO2	K4	17a.	<p>Compute the taxable salary of Mr.Ravi of Kumar from the following particulars.</p> <ol style="list-style-type: none"> i.Basic salary Rs.8,000 p.m ii.Dearness allowance Rs.2,000 p.m. considered for retirement benefits iii.Bonus Rs.8,000 p.a. iv.Rent free accommodation provided by the employer, the fair rental value of which is Rs.20,000 p.a. The cost of furniture provided, there is Rs.10,000 (assume population in 9,00,000) v.Entertainment allowance Rs.500 p.m. vi.His contribution for RPF is at 15% of salary vii.Employer's contribution to RPF is Rs.15,000 p.a. viii.Interest credit RPF balance at 9.5% p.a. Rs.1,900 ix.Free use of large motor car for both official and personal purposes. Driver is also provided. <p style="text-align: center;">(OR)</p>				
CO2	K4	17b.	<p>Ms. Silviya is a manager in a private Ltd. at Chennai. She furnished the following particulars for the P.Y 2023-24. Compute her taxable salary.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>i. Basic Salary</td> <td style="text-align: center;">18,000p.m.</td> </tr> </tbody> </table>		Rs.	i. Basic Salary	18,000p.m.
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			ii. D.A. (50% forms part of salary) iii. C.C.A. iv. Medical allowance V. House rent allowance (actual rent is Rs.5,000 p.m.) vi. E.A vii. She is provided with a small car for both official and personal use. Expenses including driver salary are met by the employer. viii. She contributes 15% of her salary towards RPF. Her employer also contributes an equivalent amount. ix. Interest on RPF credited @ 14% Rs.4,900 X. Professional tax paid by Ms. Silviya is Rs.1,500	6,000 p.m. 1,000 p.m. 4,000 p.m. 2,000 p.m. 2,000 p.m.
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CO3	K4	18a.	From the following particulars, ascertain income from house property.			
			Particulars	House I Rs.	House II Rs.	House III Rs.
			Municipal rental value	48,000	60,000	72,000
			Fair rental value	60,000	66,000	78,000
			Standard rental value	66,000	72,000	75,000
			Nature of occupation	LOP	SOP	SOP
			Municipal tax	4,800	6,000	7,200
			Collection charges	3,000	4,000	5,000
			Land revenue	2,000	2,500	3,000
			Interest on capital borrowed	45,000	50,000	60,000
			Actual rent	7,000 p.m.	----	----
			Unrealised rent	1 month	----	----

(OR)

CO3	K4	18b.	From the following particulars, calculate taxable income and tax liability of Ms. Malavika for the previous year 2023-24.	
				Rs.
			Income from House Property (Computed)	5,00,000
			Long term Capital Gain	2,00,000
			STCG (STT paid)	1,00,000
			STCG	50,000
			Winning from lottery	90,000
			Other income	10,000
			Donation to national children's fund	2,00,000

CO4	K5	19a.	Following is the P&L account of Mr. Lal for the year ending on 31.03.2023. Calculate his Income from Business.			
			Particulars	Amount Rs.	Particulars	Amount Rs.
			To Salary to staff	62,000	By Gross Profit	2,00,000
			To Rent	12,400	By Income from HP	1,00,000
			To Sales tax	13,600	By Dividend	50,000
			To Charity	10,000	By Business Income	1,50,000
			To Bad debts reserve	15,000		
			To Advertisement (Cash)	30,000		
			To Depreciation on car	8,000		
			To Parents (acquired on 31.12.2020)	44,000		
			To Net profit	3,05,000		
				5,00,000		5,00,000

			Other Information: 1. Car is used 25% for personal purposes. to 2. staff includes Rs.25,000 given to his son for taking part in the business, which is unreasonable to the extent of Rs.5,000. (OR)																																
CO4	K5	19b.	Following is the Income and Expenditure of a chartered accountant for the previous year 2023-2024. Calculate income from profession from the details given below: <table border="1"> <thead> <tr> <th>Expenditure</th> <th>Rs.</th> <th>Income</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>To Balance b/d</td> <td>6,000</td> <td>By Salary to Staff</td> <td>1,80,000</td> </tr> <tr> <td>To Consultation Fees</td> <td>7,50,000</td> <td>By Rent of clinic</td> <td>60,000</td> </tr> <tr> <td>To Visiting fees</td> <td>60,000</td> <td>By Purchase of Medicine</td> <td>70,000</td> </tr> <tr> <td>To Sale of Medicine</td> <td>94,500</td> <td>By Surgical equipment</td> <td>2,30,000</td> </tr> <tr> <td>To Interest on deposits</td> <td>55,500</td> <td>By Purchase of Car</td> <td>4,00,000</td> </tr> <tr> <td>To Dividend on investment</td> <td>34,000</td> <td>By Balance C/d</td> <td>60,000</td> </tr> <tr> <td></td> <td>10,00,000</td> <td></td> <td>10,00,000</td> </tr> </tbody> </table>	Expenditure	Rs.	Income	Rs.	To Balance b/d	6,000	By Salary to Staff	1,80,000	To Consultation Fees	7,50,000	By Rent of clinic	60,000	To Visiting fees	60,000	By Purchase of Medicine	70,000	To Sale of Medicine	94,500	By Surgical equipment	2,30,000	To Interest on deposits	55,500	By Purchase of Car	4,00,000	To Dividend on investment	34,000	By Balance C/d	60,000		10,00,000		10,00,000
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CO5	K5	20a.	Evaluate the various exemptions available under section 54. (OR)																																
CO5	K5	20b.	M/s P. Bros., Ludhiana running an industrial unit were ordered by Municipal Corporation, Ludhiana to shift their concern from urban area of Ludhiana. They shifted their concern during 2023-24 previous year and in this process sold some of the assets whose details are given below : <table border="1"> <thead> <tr> <th>Asset Acquired in</th> <th>P & M 2006-07 Rs.</th> <th>Land June 2003 Rs.</th> <th>Building 2006-07 Rs.</th> <th>Furniture 2006-07 Rs.</th> </tr> </thead> <tbody> <tr> <td>Sale Proceeds</td> <td>10,00,000</td> <td>10,90,000</td> <td>12,00,000</td> <td>2,15,000</td> </tr> <tr> <td>W.D.V. on 1-4-2023 [cost u/s 50(2)]</td> <td>4,40,000</td> <td>---</td> <td>7,32,500</td> <td>1,05,000</td> </tr> <tr> <td>Cost of acquisition</td> <td>6,00,000</td> <td>3,00,000</td> <td>10,00,000</td> <td>3,00,000</td> </tr> <tr> <td>Amount invested during Dec. 2023 due to shifting</td> <td>8,00,000</td> <td>2,00,000</td> <td>5,00,000</td> <td>----</td> </tr> </tbody> </table> <p>Compute the taxable Capital Gain for the assessment year 2024-25 if [C.I.I. for 2003-04 is 109; 2006-07 122, and 2023-24 is 348]</p>	Asset Acquired in	P & M 2006-07 Rs.	Land June 2003 Rs.	Building 2006-07 Rs.	Furniture 2006-07 Rs.	Sale Proceeds	10,00,000	10,90,000	12,00,000	2,15,000	W.D.V. on 1-4-2023 [cost u/s 50(2)]	4,40,000	---	7,32,500	1,05,000	Cost of acquisition	6,00,000	3,00,000	10,00,000	3,00,000	Amount invested during Dec. 2023 due to shifting	8,00,000	2,00,000	5,00,000	----							
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