

(f) Gift in foreign currency from a relative (one-half received in India and the balanced used in New York)	350000
(g) Income from agriculture in Myanmar received there. 1/3 rd used while visiting there and 2/3 rd remitted later to Kolkata	45000
(h) Income from profession in Philippines received there.	220000

Compute his total income if he is a

1. Ordinarily resident
2. Not ordinarily resident
3. Non-resident

(2 × 5 = 10 Weightage)

(4)

20P349

(Pages: 4)

Name

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS-PG)

(Regular/Supplementary/Improvement)

CC19P MCM3 C12 - INCOME TAX: LAW, PRACTICE AND TAX PLANNING I

(Commerce)

(2019 Admission onwards)

Time: Three Hours

Maximum: 30 Weightage

Part A

Answer any *four* questions. Each question carries 2 weightage.

1. What is regular assessment?
2. What is tax planning?
3. What is aggregation of income?
4. What do you mean by revised return?
5. What is tax avoidance?
6. Who is an assessing officer?
7. What is annual value?

(4 × 2 = 8 Weightage)

Part B

Answer any *four* questions. Each question carries 3 weightage.

8. Mr. A furnishes the following particulars of his income for the previous year 2020-2021.

Compute his gross total income.

	Rs.
Dividend on equity shares	600
Dividend on preference shares(Gross)	3200
Income from letting on hire of building and machinery under one composite lease	27000
Interest on bank deposits	2500
Director's sitting fees received	1200
Ground received	600
Income from undisclosed source	10000
Winnings from lotteries(Net)received	14000
The following are deductions are claimed by him	
1. Collection charges of dividend	20
2. Allowable depreciation on building and machinery	4000
3. Fire insurance on building and machinery	100

(1)

Turn Over

9. Krishnan owned a house property at Chennai which was occupied by him for the purpose of his residence. He was transferred to Mumbai in June,2019 and therefore he let out the property with effect from 1st July 2019 on a monthly rent of Rs.2500. The corporation tax payable in respect of the property @20% was Rs.6000 of which 50% was paid by him before 31/3/2020. Interest on money borrowed for the construction of the property amounted to Rs.20000. Compute the income from house property for the Assessment year 2021-22.

10. Compute agricultural income from cultivation of land.

	Rs.
Sale proceeds of agricultural produce	160000
Depreciation of equipments	6000
Labour charges	24000
Cost of seeds	6000
Cost of fertilizers	3000
Electricity charges	12000

11. From the following information compute the taxable income and net tax liability of a Hindu Undivided Family for the assessment year 2021-22.

	Rs.
(a) Rent received from house property	6000 Pm
(b) Municipal valuation	50000
(c) Local taxes (10%)	
(d) Income from business	290000
(e) Short term capital gain	15000
(f) Long term capital gain	30000
(g) Dividend received from UTI	10000
(h) Income from lottery(Gross)	50000

12. Asok sells his only residential house in Mangalore on 24th August, 2020 for Rs.55,00,000 and incurs an expenditure of Rs. 1,00,000 in connection with the transfer. Cost of acquisition of the house for him in 1998 was 1,80,000 and on 1st April,2001 the fair market value was 8,00,000. On 16th January, 2021 he deposited Rs. 20,00,000 in the Capital Gain Account Scheme.

Compute the taxable capital gains for Assessment Year 2021-22. The cost inflation index for 2001-2002 was 100 and for 2020-21 it is 301.

13. What are the general powers of Chief Commissioner of Income Tax?

14. Distinguish between Tax avoidance, Tax management and Tax planning.

(4 × 3 = 12 Weightage)

PART C

Answer any *two* questions. Each question carries 5 weightage.

15. Explain the procedure of assessment of income.

16. Explain tax planning relating to the assessment of the income of an Individual.

17. Mr. A, resident Indian, an employee of P Ltd. furnishes the following information. Compute his total income for the assessment year 2021-2022.

	Rs.
(a) Basic pay	10000 pm
(b) DA	41% basic pay
(c) Deputation allowance	300 pm
(d) Lunch allowance	500 pm
(e) Computer allowance	200 pm
(f) He and his employer contributed 15% of his basic pay and DA to RPF and interest create to RPF @12% pa was 6000	
(g) He is provided with rent free accommodation in Kolkata having Municipal Value of Rs.36000 and furnished with furniture costing Rs.25000	
(h) He is provided with a rent car of 1.6 litre both for official and private purposes. Entire expenses are borne by the employer.	
(i) He received leave travel concession for a trip to Andaman Rs.40000 for his whole family.	
(j) He has taken an interest free loan of Rs.20000 from his employer for purchase of a colour television, market rate of interest is 10%.	
(k) He donated Rs. 10,000 by cheque to an approved association for promoting family planning.	

18. Mr. X a foreign national furnishes the following particulars of income relevant for the assessment year 2021-22.

	Rs.
(a) Income from property in New York received there	120000
(b) Income from business in Kolkata managed from Singapore	240000
(c) Profit from sale of machinery in California (one-half received in Kolkata)	90000
(d) Dividend (Gross) received in Thailand from a company registered in India but mainly operating in India	15000
(e) Income from a house property in Dhaka deposited by tenant there in a foreign branch of SBI	36000

(3)

Turn Over