

(12) Amount spent on acquisition of patent right	2,00,000
(13) Guest house expenses	20,000
(14) Amount paid to Madras University for scientific research not related with the business	60,000
(4 × 3 = 12 Weightage)	

Part C

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

15. Explain the powers and duties of Income Tax Authorities.
16. What is meant by Assessment? Explain the different types of assessment with suitable examples.
17. Compute the net tax liability of Mr. Ram, a blind person, who is 70 years, for the Assessment Year 2024-25:
 - i. Professional Gain Rs. 6,20,000
 - ii. Income from House Property Rs. 41,000
 - iii. Short term capital gain Rs. 6,000
 - iv. Long term capital gain Rs. 20,000
 - v. Punjab State Lottery prize Rs. 1,50,000
 - vi. Agricultural income Rs. 20,000
 - vii. Amount invested in 5-year term deposit Rs. 30,000
18. Shri Bhavan Chandra is a Karta of a HUF. He furnished the following information about his family income for the year ended 31.3.2024:
 - a. Business income Rs. 6,00,000
 - b. Salary received from a member who is servicing at other place Rs. 3,00,000
 - c. Director's fee received by Karta from personal efforts Rs. 10,000
 - d. Gross annual value of the let out property Rs. 16,000
 - e. Municipal tax on property paid Rs. 1,000
 - f. Long term capital gain Rs. 30,000
 - g. Dividend from Indian company Rs. 12,000
 - h. Profit share in an BOI Rs. 60,000
 - i. Donation to recognized medical trust by cheque Rs. 68,000

Compute total income and net tax liability of the family. A member of the family is disabled and the family spent Rs. 28,000 for his treatment.

(2 × 5 = 10 Weightage)

23P348

(Pages: 4)

Name:

Reg. No:

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2024

(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. Explain 'voluntary return of income'.
2. What is meant by arrears of tax?
3. Explain 'advance payment of tax'.
4. Differentiate between TDS and TCS.
5. Explain 'Tax Evasion'.
6. Determine the residential status of Mr. Dileep for the Previous Year 2023-24 who left India for the first time on 15.9.2019 and came back on 1.9.2022. He again left for Dubai on 15.6.2023 and came back on 14.2.2024 to settle in India.
7. Mr. Ram sold a building on 3rd February 2024 for Rs. 11,35,000 and paid a brokerage of Rs. 15,000. He had acquired the asset on 15th May 2022 at a cost of Rs. 4,35,000. Compute the amount of capital gain.

(4 × 2 = 8 Weightage)

Part B

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

8. What is PAN? Explain the consequences for failure to apply for the allotment of PAN.
9. Explain the different modes of recovery of tax.
10. Mr. Thomson furnishes the following particulars of his income during the year 2023-24:
 - a) Interest on American Development Bonds (1/6 is received in India) Rs. 36,000
 - b) Income from agriculture abroad received there Rs. 3,41,000 but remitted Rs. 86,000 later to India.
 - c) Interest from deposits in USA received there Rs. 3,40,000 (Rs. 92,000 was spent in Canada for meeting the education expenses of his son and Rs. 2,48,000 was remitted to India).
 - d) Income from business in Iran controlled from New Delhi Rs. 70,000.
 - e) Dividend paid by an India company but received outside India Rs. 1,95,800.

(1)

Turn Over

- f) Past untaxed profit of 2015-16 brought to India in May 2023 Rs. 2,10,000.
- g) Profit from a business in New Delhi managed from outside India (60% of the profit is received outside India) Rs. 92,000.
- h) Profits on sale of a building in India but received in Nepal Rs. 18,75,000.
- i) Pension from a former employer in India, received in Iran Rs. 2,15,000.
- j) Gift in foreign currency from a friend received in India on 6.10.2023 Rs. 80,000.
- Compute his Gross Total Income, if he is: (i) Resident, (b) Not Ordinarily Resident, (c) Non-resident.

11. From the particulars given below, compute the total income for the Assessment Year 2024-25:

Income from let out house (computed)	6,000
Annual rental value of his self-occupied house	4,000
Municipal taxes paid on self-occupied house	400
Profit from electric goods business after depreciation	10,000
Profit from agency business	3,000
Speculation gain from gold	2,000
Long term capital gain	7,000
Short term capital gain	2,000
The following losses have been brought forward from the Previous Year 2022-23:	
Loss from electric good business	6,000
Loss from agency business	1,000
Speculation loss from silver	4,000
Unabsorbed depreciation	1,000
Long term capital loss	4,000
Short term capital loss	3,000

12. From the following particulars of Mr. Sethu, working in a sole proprietorship in Mumbai, compute his income from salary for the financial year 2023-24:

- i. Salary Rs. 1,80,000
- ii. Bonus Rs. 6,000
- iii. Dearness allowance Rs. 18,000
- iv. Entertainment allowance Rs. 6,000 (fully spent for official purpose)
- v. Employer's contribution to RPF Rs. 24,000 Mr. Sethu also contributes equally.
- vi. Interest on PF @ 8.5% Rs. 2,400
- vii. Personal expenses of Mr. Sethu's son met by the employer Rs. 1,000
- viii. Watchman engaged by the employer for the security of residence provided to Mr. Sethu. Salary paid by the employer to watchman during the year Rs. 24,000.

- ix. Medical expenses of the employee during the year amounted to Rs. 6,000
- x. Free refreshment during office hours Rs. 300 p.m.
- xi. Club bill of the assessee paid by the employer Rs. 5,000
- xii. Unit Linked Insurance contribution of Mr. Sethu, paid by the employer Rs. 10,000
- xiii. He deposited Rs. 12,000 in PPF.
- xiv. Rent free house provided by the employer was used by him up to 31.12.2023 after which he shifted to his own house. Cost of furniture used in the house Rs. 30,000.
- xv. The employer paid professional tax Rs. 2,000 on behalf of the employee.

13. Compute the taxable income from other sources of Miss Priya for the Assessment Year 2024-25:

- a) Cash received on the occasion of marriage Rs. 30,000 on 15.7.2023.
- b) Examination remuneration Rs. 1,000.
- c) Agricultural income from:
 - Land situated in India Rs. 50,000
 - Land situated in Pakistan Rs. 30,000
- d) Interest received on the following investments:
 - Rs. 4,000 as interest on Govt. securities.
 - Rs. 7,200 as interest on debentures issued by local authority.
 - Rs. 7,200 as interest on debentures of Tata Ltd. (not listed in any stock exchange).
 - Rs. 7,200 as interest on debentures of Asian Paints Ltd. (listed).
 - Rs. 7,200 as interest on tax-free debentures of V-Guard Ltd. (not listed).

14. Ms. Priya, a readymade garment manufacturer in Chennai, gives you the following particulars for the financial year 2023-24. Compute the income from business. Net profit as per profit and loss account Rs. 5,10,000 after debiting the following expenses:

(1) Contribution to unrecognized provident fund	1,20,000
(2) Consideration paid on 10.6.2023 for acquiring know-how	2,00,000
(3) Provision for income tax and wealth tax	3,00,000
(4) Advertisement in the souvenir of a political party	50,000
(5) Provision for excise duty	75,000
(6) Provision for sale tax (amount paid on 25.06.2023 Rs.20,000)	35,000
(7) Holiday home expenses	25,000
(8) Health insurance premium paid for employees of the concern	40,000
(9) Penalty for violation VAT laws	30,000
(10) Interest on late payment of income tax	5,000
(11) Interest on late payment of VAT	10,000

(3)

Turn Over