

Interest includes Rs. 200 on loan taken for purchasing debentures of a company and Rs. 300 on loan taken for reconstruction of property let out.  
 The expenses of repairs relating to HP let out are 40% of repairs and renewal expenses.  
 Depreciation include Rs. 1,200 on HP let out.  
 Compensation was paid to an employee whose dismissal was in business interest.  
 Insurance include 30% for fire insurance of HP let out, 30% for workers accident insurance and balance for life insurance.  
 Law charges include Rs. 2,000 relating to petition filed against breach of contract and balance regarding GST appeal.  
 Subscription include Rs. 2,000 given for election purpose to political parties in cash.  
 The amount not debited in P/L account are as follows.  
 Expenses incurred on occasion of Diwali Rs. 500  
 Theft of cash from iron safe Rs. 1,500  
 Expenses for new telephone connection in business Rs. 2,000

(2 × 5 = 10 Weightage)

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Name: .....

Reg. No: .....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2022

(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 the differences between Tax Planning and Tax Evasion?
2. What is Permanent Account Number? What are the cases where PAN is compulsory?
3. What is Pay as You Earn Scheme?
4. Briefly explain Best Judgement Assessment?
5. Explain the following: Defective Return, Belated Return, Revised Return, Return of Loss, Notice of Demand.
6. Explain Section 80 TTA and 80 TTB?
7. What is Pre-Construction Interest?

(4 × 2 = 8 Weightage)

**Part B**

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

8. What are the different modes of Recovery of Tax?
9. What are the Tax Planning methods allowable for Employer and Employees for Income from Salary?
10. Ramesh has GTI Rs. 40,15,000. He donated the following amount by cheques PMNRF  
 Rs. 1,00,000.  
 National Children's fund Rs. 2,00,000  
 Rs. 2,00,000 for repairs of a temple of public workshop so notified  
 Rs. 1,00,000 to a local college for construction of classroom  
 Rs. 20,000 given as aid to poor student  
 Rs. 1,00,000 to municipality  
 Rs. 50,000 to UP Government for family planning.  
 He deposited Rs. 15,000 in PPF. Determine the Total Income?

11. Sri. J owns a big house having a Municipal value of 80,000 while the standard rent is 90,000. The house is used as follows:

- (i) 25% portion for self-residence
- (ii) 25% portion for self-office of business
- (iii) 25% portion let out for residential purpose @ 2,000 p.m.
- (iv) 25% portion let out to a commercial firm @ 2,000 p.m.

Municipal tax paid is 9,000. Interest on loan taken for purchase of the house is 24,000  
Compute income from house property

12. Mr. J.P estimates his current income for financial year 2022-23

Taxable income from business Rs. 6,84,500

STCG Rs. 13,000 (not from securities)

Income from other sources Rs. 26,000

Life insurance premium paid Rs. 3,000

Medical insurance premium paid by cheque Rs. 500

Tax will be deducted at source Rs. 1,760. IFOS includes interest on debentures of a company. Calculate Advance income tax and find out instalments?

13. Mr. Sakthi is a professor in Avadh University. Calculate his tax liability for Assessment year 2022-23?

Basic pay including grade pay Rs. 60,000 p.m.

DA 45% of pay

Special pay @ Rs. 500 p.m. for promoting small family norms

Transport allowance Rs. 3,800 p.m.

Proctor allowance Rs. 500 p.m.

He is living in his own house. Annual value of the house is Rs. 40,000 and he is getting 15% of pay as HRA

Arrears of pay Rs. 2,30,800

During the previous year his investments were as follows:

He contributes in PF @ Rs. 8,000 p.m.

His life insurance premium was Rs. 1,200 p.m.

He pays Rs. 30,000 as payment of interest and Rs. 40,000 as investment for housing loan taken for construction of house

14. Total income Rs. 11,00,000

Agricultural income Rs. 15,000

Calculate tax liability for Assessment year 2022-23?

(4 × 3 = 12 Weightage)

(2)

**Part C**

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

15. What are the various Income Tax Authorities and what are the general powers of Income tax Authorities?

16. What are the various deductions available to an Individual under Section 80?

17. Compute total income and tax liability of HUF?

Profit from business Rs 590000

Salary received by a member of HUF Rs 10000

Directors fees received by Karta Rs 8000

Rent from let out property Rs 20000

Municipal taxes paid Rs 1000

Annual municipal value of joint family house Rs 18000

Municipal taxes paid Rs 1000

Interest on loan for construction of house Rs 20000

Interest on securities Rs 5000

LTCG from transfer of building Rs 10000

Profit from AOP (1/4 share) Rs 10000

Dividend from companies Rs 10000

Donation to National Defence Fund by cheque Rs 5000

Medical insurance premium on health of members of family paid by cheque Rs 6000

Premium paid on LIC policies Rs 19000

18. Find out total income of Leha for Assessment year 2022-23 and his tax liability?

Particulars	Amount	Particulars	Amount
To interest	1,800	By GP b/d	3,22,700
To repairs	2,200	By interest on debentures of an institution (gross)	10,000
To insurance	4,200	By rent from HP	36,000
To depreciation	5,600		
To compensation	10,200		
To law charges	5,100		
To labour welfare expenses	3,800		
To subscriptions	5,800		
To net profit	3,30,000		
Total	3,68,700	Total	3,68,700

Turn Over