

26. Compute taxable salary of Smt. Kishan for the Assessment Year 2023-24:
- Salary 60,000 p.m.
  - D. A. 10,000 p.m.
  - Entertainment Allowance 1,000 p.m.
  - Tiffin Allowance (actual total expenses: ₹20,000) @ 2,000 p.m.
  - Employer's contribution to Recognised Provident Fund ₹ 88,800. His own contribution was ₹ 88,800.
  - Interest @ 10% p.a. on credit balance of recognised P.F. amounted to ₹ 50,000.
  - City compensatory allowance 500 p.m.
  - Medical Allowance 1,200 p.m.

Additional information:

He has been provided with a large car for both official and personal use. Employer bears all the expenses of the car.

27. Mr. Lal is a Chartered Accountants in Kochi. He has submitted the following Income and Expenditure Account for the year 2022-23. From the following information, compute his income from the profession:

Expenses	₹	Income	₹
To Office rent	33,000	By Audit fees	3,00,000
To Employee's Salary	75,000	By Tax consultancy fees	60,000
To Charities	5,000	By Dividend (Gross)	6,000
To Gifts to relatives	6,000	By Accountancy works	32,000
To Drawings	16,000	By Interest on Deposits in a Bank	22,000
To Car expenses	24,000		
To Subscription for Journals	2,400		
To Household expenses	8,600		
To NSCs purchased	20,000		
To Net Income	2,30,000		
Total	4,20,000		4,20,000

Additional Information:

- Office rent ₹ 3,000 though paid is not recorded.
- Depreciation of car during the year is ₹ 6,000.
- 30% of the car expenses are related to personal purpose.

(2 × 10 = 20 Marks)

\*\*\*\*\*

(4)

21U542

(Pages: 4)

Name: .....

Reg. No: .....

**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2023**

(CBCSS-UG)

(Regular/Supplementary/Improvement)

**CC19U BCM5 B09 / CC20U BCM5 B09 – INCOME TAX LAW AND ACCOUNTS**

(Commerce: Finance / Taxation – Core Course)

(2019 Admission onwards)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

**Part A** (Short answer questions)

Answer *all* questions. Each question carries 2 marks.

- What is Bond Washing Transaction?
- What do you mean by Standard Rent?
- Mention any four Taxable Allowances.
- What do you mean by Commutation of Pension?
- Give two examples of Partly Agricultural Income.
- What is Speculative Transaction?
- What do you mean by Maximum Marginal Rate?
- How would you treat unrealized rent in computing the income from house property?
- What is CII? Write down the CII of the previous year 2022-23.
- Define the term Business.
- What do you mean by Short Term Capital Gain?
- What do you understand by profit in lieu of salary?
- Mr. Ram purchased from Mr. Dev the rights to subscribe for 500 right shares @ ₹ 2 per share and paid ₹ 10 per share to the right shares to the company. Compute the cost of acquisition of 500 right shares.
- Mr. Goyal purchased a building on 1st July, 2020 for ₹ 4,00,000 and let out for business purposes @ ₹ 5,000 p.m. On 1st April, 2022, he took possession of the building from the tenant and used the same for his own business purposes. Compute the actual cost for depreciation for the Previous Year 2022-23. Admissible rate of depreciation is 10%.
- Mrs. John left for U.K on 10<sup>th</sup> February 2020 after staying in India for 12 years. He came back on 31<sup>st</sup> July, 2022. Compute her residential status for the Assessment Year 2023-24.

(Ceiling: 25 Marks)

(1)

Turn Over

**Part B** (Paragraph questions)

Answer *all* questions. Each question carries 5 marks.

16. Explain briefly the allowances that are admissible in determining the income from business.
17. How would you determine the annual value of a house property? State the deductions that are allowed from the Annual Value.
18. Distinguish between Recognised Provident Fund and Unrecognised Provident Fund.
19. The following were the incomes received by Mr. Shankar during the previous year 2022-23.

Particulars	₹
Director's fees	50,000
Winning from lottery	1,00,000
Income from royalty	65,000
Dividend from an Indian Company	5,000
Interest on Post Office Savings Bank A/c	7,000
Salary from part-time job with a firm	25,500

Compute his income from other sources for the Assessment year 2023-24.

20. Mr. Anil retired on 10th April, 2022 after serving for 30 years 7 months. He was getting a salary ₹ 15,000 p.m. from 1-1-2021 to 31-12-2021 and thereafter ₹ 15,600 p.m. He received DA. @ ₹ 3,000 p.m. (forming part of salary for computation of retirement benefits) and 2% commission on sales achieved by him. Turnover achieved by him during 10 months (preceding the months in which he retired) was ₹ 24,00,000. He received a gratuity of ₹ 4,68,000. Compute the exempted amount of gratuity. He is not covered under the Payment of Gratuity Act.
21. Particulars of Income and losses of the Previous Year 2022-23 of Mr. Rahul are given below. Compute his gross total income for the Assessment Year 2023-24, if he is a Non-resident.

Particulars	₹
Loss from house property situated in Canada	(-) 20,000
Income from house property in India (computed)	15,000
Income from a business in India	40,000
Loss from business in Australia	(-) 25,000
Income from a business in Australia which is controlled from there	50,000
Interest on Indian debentures	8,000
Income from salary in India	1,00,000

(2)

22. Compute taxable income from house property of Mrs. Alice from the following particulars.

Particulars	₹
Actual Rent Received	72,000
Fair Market Rent	80,000
Standard Rent	60,000
Municipal Valuation	50,000
Municipal Taxes	20%
Interest paid	18,000
Arrears of Rent received during the previous year	12,000

23. Mr. Ganesh had mango gardens, nursery and estates in rubber, tea and coffee. He derives income from them. He has also a nursery wherein he grows plants and sells. For the Previous Year ending 31st March, 2023, income from estates and nursery is as under:

Particulars	₹
Manufacture of rubber	7,25,000
Manufacture of coffee grown and cured	5,07,500
Manufacture of tea	10,15,000
Sale of plants from nursery	1,37,000
Income from mango gardens	6,70,000

Compute Agricultural and Non-agricultural Income of Mr. Ganesh

(Ceiling: 35 Marks)

**Part C** (Essay questions)

Answer any *two* questions. Each question carries 10 marks

24. Explain any ten items of income which are totally exempt.
25. Mr. Sanjeev sold the following assets during the year 2022-23:
- Land purchased in 2001 for ₹ 1,40,000 sold for ₹ 3,00,000.
  - Machinery purchased for ₹ 12,000 in 2013 sold for ₹ 21,000 (W.D.V. ₹ 6,000).
  - Office furniture purchased in April, 2022 for ₹ 1,200 sold for ₹ 1,700.
  - Shop purchased in 2004-05 for ₹ 1,13,000 sold for ₹ 1,80,000.
  - Residential house purchased in 2004-05 for ₹ 2,26,000 sold on 15-4-2022 for ₹ 10,60,000.

Additional Information:

He purchased another residential house on 15-3-2023 for ₹ 4,20,000. Compute his taxable income under the head Capital Gains.

Cost inflation index for 2001-02 is 100, 2004-05 is 113 and 2022-23 is 331.

(3)

**Turn Over**