

18. Mr. Hanuman Prasad submits the following information relevant for the Assessment Year 2023-24:

Income from units of Mutual Fund – Rs. 20,000
Profits of business- Rs. 12,000
Short-term capital gains Rs. 25,000
Long-term capital gains Rs. 7,500
Income from owning and maintaining race horses Rs. 25,000
Income from crossword puzzles – Rs. 28,000
The following items have been brought forward: Brought forward business loss (from the Previous Year 2021-22) Rs. 17,000 Unabsorbed depreciation (from the Previous Year 2021-22) Rs. 8,000 Long-term capital loss in respect of the Previous Year 2019-20 – Rs. 42,000. Brought forward loss from the activity of owning and maintaining race horses of the Previous Year 2021-22 – Rs. 35,000
Speculation losses of the Previous Year 2020-21 - Rs. 20,000

Compute the gross total income of Mr. Hanuman Prasad for the Assessment Year 2023-24.

(2 × 5 = 10 Weightage)

(4)

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(Pages: 3)

Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2023

(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 Annual Value? How it is calculated for Income Tax purpose?
2. What is Tax Planning?
3. What are the provisions of Income Tax Act regarding Gratuity?
4. Define Agricultural Income.
5. What is Bond washing Transaction?
6. What is Incidence of Tax?
7. What is Best Judgement Assessment?

(4 × 2 = 8 Weightage)

Part –B

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

8. How allowances are classified for taxable purpose? Explain in detail.
9. Name the various Income tax authorities and state the powers and functions of CBDT.
10. Shrimati Joshi (Resident in India and aged 82 years) has estimated the following taxable incomes for the Financial Year 2022-23:

Income from Business	Rs. 11,97,000
Long-term Capital Gains on 10.10.2022.	Rs. 25,000
Interest (gross) from a branch of P.N.B. (F.D.R.)	Rs. 26,000
Dividend (Co-operative Society)	Rs. 3000
(i) She will pay life insurance premium on her own life Rs. 25,000	
(ii) She will deposit in P.P.F. Rs. 70,000	
(iii) Paid to P.M. Relief Fund by cheque Rs. 25,000	
(iv) (iv) Health insurance premium paid in cash Rs. 2000	
Determine the amount payable as advance tax on prescribed dates during the Financial Year 2022-23.	

(1)

Turn Over

11. Ascertain the amount of tax deducted at source from the following incomes/receipts during the financial year 2022-23:

Lottery winnings of Rs.1,00,000 (gross) payable to Mr. X, resident in India.
Winnings from horse-race Rs. 50,000 payable to Mr. Y, non-resident in India.
Interest on Securities (listed) payable to Mr. Z, a resident in India, Rs. 20,000.
Dividend payable by a domestic company to B, a resident in India, Rs. 40,000.
Interest on unlisted debentures of Y Ltd. payable to T, a resident in India, Rs. 10,000.

12. Mr. Basavaraju furnishes the following particulars of his investments for the Previous Year ended 31.3.2023:

Rs. 20,000 8% municipal debentures
Rs. 30,000 10% Karnataka State Government Loan.
Rs. 40,000 18% tax-free debentures of X Co. Ltd., listed in a stock exchange.
Rs. 20,000 7% Capital Investment Bonds of Government of India.
He also received during the same previous year :
Rs. 2,000 as interest on Central Government Securities.
Rs. 2,000 as interest on State Government Securities.
Rs. 9,000 as interest on Debentures of X Co. (Pvt.) Ltd. (not listed)
Rs. 1,500 as interest on bank deposit.
Rs. 1,000 interest on loan given to a relative.
He paid Rs. 100 as commission to his bankers for collecting interest on securities.
Compute his income from other sources.

13. Determine the amount deductible from gross total income in the following cases :

Smt. Rekha took an insurance policy on the health of her mother-in-law, who is dependant on her for support and maintenance, and paid premium Rs.2,500 by cheque to G.I.C. of India.
Mr. Shyam spent Rs. 10,000 on the training of his brother-in-law, who is a blind and dependent on Mr. Shyam for support and maintenance.
Mr. Suresh, a non-resident in India, spent Rs. 20,000 on the medical treatment of specified disease of his younger brother, who is dependant on him for support and maintenance.
Mr. Ganesh spent Rs. 40,000 on medical treatment of his widow sister Sita, who is a severe disabled and dependent on him for support and maintenance.
Dr. Gupta borrowed Rs.5,00,000 from a financial institution for his education in medicine. He paid Rs.50,000 as interest on the loan during previous year out of his income chargeable to tax.

14. Shri Kumar is a 'Karta' of a HUF. He furnished the following information about his family income for the year ended 31st March, 2023:

Salary received from a member who is serving at some place – Rs. 3,20,000
Business income – Rs. 6,04,500
Director's fees received by Karta from personal efforts Rs.10,000
Gross Annual value of let out property Rs. 16,000
Municipal Tax on property paid Rs. 1,600
Long-term capital gain Rs. 25,000
Dividend from Indian company (Gross) Rs. 11,500
Profit share in an AOP Rs. 60,000
Donation to a recognised medical institute by cheque Rs. 68,000

Compute total income of the family. A member of the family is disabled and the family spent Rs. 28,000 for his treatment. You are also required to calculate the tax payable by the family.

(4 × 3 = 12 Wiegthage)

Part- C

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

15. What is assessment? What are the different types of assessment?
 16. Explain the exempted capital gains u/s 54 of Income Tax Act
 17. From the following particulars of income of Mr. Ashok Kumar for the year ended on 31st March, 2023, compute his total income and tax liability for the Assessment Year 2023-24.

Salary Rs. 1,70,000
Interest received from Bank of Baroda on fixed deposit Rs.900.
Interest received from Maruti Ltd., on fixed deposit Rs. 5,400.
Interest received from Government Securities Rs. 7,500.
Dividend received on equity shares of D.C.M. Ltd. Rs.4,000 (Net).
Dividend received from a Co-operative Society Rs.200.
Income received on units of Mutual Fund Rs.8,950 (Gross).
He owns a poultry farm also. Its profits for the previous year amounted to Rs.51,000.
He sold his residential house on 11th April, 2022 for Rs. 4, 50,000 which he had purchased for Rs.60,000 in 1999 and its fair market value on 1.4.2001 was Rs.80,000.
Other LTCG Rs.76,200.
He purchased National Savings Certificates VIII Issue on 31.3.2023 for Rs.10,000.
He paid Rs.10,000 to a Political Party by cheque.

Cost inflation index in 2001-02 was 100 and in 2022-23 it was 331.