



B.Com. V Semester Degree Examination, April/May - 2024

COMMERCE

Income Tax Law and Practice - I

(NEP)

Time : 2 Hours

Maximum Marks : 60

SECTION - A

1. Answer the following questions, each question carries **one** mark. **10x1=10**
- (a) What is Income tax ?
 - (b) What do you mean by Agriculture Income ?
 - (c) What is gross total Income ?
 - (d) Define perquisite u/s 17(2).
 - (e) What is Provident Fund ?
 - (f) What do you mean by Tax Deducted at source ?
 - (g) What is property ?
 - (h) State the types of residential status.
 - (i) Define commutation of pension-sec.10 (10A).
 - (j) State any two items of Investments OR savings, which qualify for deduction u/s 80C.

SECTION - B

Answer **any four** of the following questions, each question carries **five** marks. **4x5=20**

2. Mr. Ravi of Delhi has given the following Information :
- (a) Basic salary Rs. 12,000 p.m.
 - (b) Dearness Allowance Rs. 6,000 p.m. (50% enters in to retirement benefit)
 - (c) HRA received Rs. 2,700 p.m.
 - (d) Rent paid Rs. 3,750 p.m.
 - (e) City compensation Allowances Rs. 150 p.m.
- Calculate taxable HRA for the A.Y. 2023-24.
3. Mr. Hanumesh employed in a private company received Rs. 2,70,000 gratuity covered under the payment of Gratuity Act, 1972. He retired on 30th Nov, 2022 after serving for 35 years and 4 months. At the time of retirement his monthly salary consisted of basic salary Rs. 10,000, Dearness allowance Rs. 3,260 and HRA Rs. 1,000. Find out gratuity exempt u/s 10(10).



4. Mr. Narayan Rao took a loan of 10,00,000 from a Syndicate Bank on 01-10-2020 at 12% p.a. for construction of house, which was completed on 01-07-2022. He took another loan on 01-10-2022 of 10,00,000 @ 10% p.a. to repay the original loan from Punjab National Bank.

Calculate interest on loan allowable u/s 24 for the A.Y. 2023-24 assuming that the house was let out.

5. Mr. Subha Rao is the owner of a house property. From the following particulars compute its gross Annual value :

Fair Rental value	Rs. 45,000
Municipal Value	Rs. 40,000
Standard Rent	Rs. 42,000
Actual Rent	Rs. 36,000
Unrealised Rent	Rs. 3,000

6. Dr. Rajeshwari is working as an Associate professor in a Government College drawing a monthly gross salary of Rs. 2,00,000. Her monthly contribution to LIC is Rs. 5,000 and GPF is 50,000. In addition to this she pays Rs. 2,000 per annum as professional tax. The salary of Dr. Rajeshwari has increased from Rs. 2,00,000 to 2,50,000 from July onwards. The deductor has made TDS of Rs. 1,20,750 in the first quarter. She paid Rs. 25,000 as premium for health insurance. Compute the amount of TDS to be made in each month from the second quarter onwards if she does not opt. for new tax regime.

7. Miss Manjula has gross Total Income of Rs. 40,00,000 for the previous year ending 31-03-2022 :

- The Prime Ministers Drought Relief Fund Rs. 2,00,000.
- The National children's Fund Rs. 20,000.
- The Africa (Public Contribution) India Fund Rs. 1,00,000.
- Local college (Approved) Rs. 1,00,000.
- Aid to poor student Rs. 20,000.
- Karnataka government for family planning Rs. 50,000.
- Municipality Rs. 1,00,000.
- Donation to corportation of minority community Rs. 2,00,000.

Calculate the amount of deduction u/s 80G.



SECTION - C

Answer **any three** of the following questions. Each question carries **ten** marks.

3x10=30

8. (a) Mr. Naveen Kumar is a non-government employee is getting a pension of Rs. 24,000 per month. During the previous year he commuted 2/3 of his pension and received Rs. 4,00,000. Calculate the exempted and taxable amount of commutation of pension if :

(i) He received gratuity (ii) He did not receive gratuity.

- (b) Mr. Ajay working in a private company, retired on 01-02-2023 after completing 30 years and 6 months of service.

Encashment of leave salary received Rs. 1,00,000 :

(i) Average salary for last 10 months Rs. 4,500.

(ii) He has availed 615 days leave (30 days leave permitted per year)

Calculate the taxable encashment of leave-salary.

9. The following are the incomes of Smt. Veena for the p.y. 2022-23 :

(a) Income from house property in London received in India Rs. 75,000.

(b) Profit from business in Japan and managed these Received in Japan Rs. 4,50,000.

(c) Dividend from foreign company received in India Rs. 15,000.

(d) Dividend from Reliance Company Ltd. Rs. 50,000.

(e) Profit from Bangladesh controlled from India Rs. 1,50,000.

(f) Profit from business in Delhi managed from Canada Rs. 3,50,000.

(g) Past untaxed foreign income brought to India during the previous year Rs. 1,00,000.

(h) Profit from business in China deposited in a bank there Rs. 10,000.

(i) Interest on USA government securities received in India Rs. 20,000.

(j) Salary earned in Mumbai but received in U.K. Rs. 80,000.

(k) Agricultural Income earned and received in India Rs. 15,000.

(l) Royalty received from mining company in India Rs. 50,000.

Compute the gross total Income for the Assessment year 2023-24 of Smt. Veena if she is :

(i) Ordinarily Resident

(ii) Not ordinarily Resident

(iii) Non Resident



10. The following are particulars of Sri. Srinivas an employee of a company in Bangalore compute his income from salaries for the assessment year 2023-24 :

- (a) Basic Salary Rs. 64,000 p.m.
- (b) Bonus equal to 2 months basic salary.
- (c) Dearness allowance at 45% of basic salary.
- (d) Travelling allowance for office duties Rs. 45,000.
- (e) Reimbursement of medical bills Rs. 45,000.
- (f) Entertainment allowance Rs. 1,500 p.m.
- (g) A rent free accommodation is provided by the employer who paid rent of Rs. 15,000 p.m. The cost of furniture installed Rs. 4,50,000.
- (h) The employer provided a Gardner and a chowkidar facilities paying salary of Rs. 1,500 p.m. and Rs. 2,400 p.m. respectively.
- (i) The employee's contribution to recognised provident fund at 15% of the basic salary and employer contributes an equal amount.
- (j) Interest on recognised provident fund credited at 15.5% per annum is Rs. 18,600.
- (k) He paid professional tax for the year Rs. 2,400.

11. From the following particulars compute the income from house property for the assessment year 2023-24 :

Nature of Occupation	House No:1	House No:2
	S.O.P	L.O.P
Municipal Value per annum	50,000	60,000
Municipal tax	5,000	6,000
Rent recievable per month	-	10,000
Repairs	6,000	20,000
Interest on Loan taken for construction	10,000	20,000
Rent collection charges	-	3,000
Cost of amenities : Lift, water and lighting provided	-	20,000



12. Mr. Ananthan has paid the following donations during the previous year 2022-23 :
- (a) The Rajiv Gandhi Foundations 2,00,000.
 - (b) The Prime Minister National Relief Fund Rs. 1,00,000.
 - (c) A Medical College (Approved) Rs. 4,00,000.
 - (d) An Approved charitable Institution Rs. 2,00,000.
 - (e) For repair and renovation of notified temple Rs. 50,000.
 - (f) Aid to poor students Rs. 20,000.
 - (g) Books donated to Gulbarga University Gulbarga Rs. 30,000.
 - (h) Municipality approved for family planning Rs. 1,00,000.
 - (i) Chief Ministers and Lieutenant Governors relief fund Rs. 1,00,000.

The Gross total income of Mr. Ramadas was Rs. 70,00,000 which includes long term capital gain of Rs. 6,00,000 and share of income from AOP Rs. 3,00,000 (AOP has paid normal rate of tax). During the year he has purchased NSC, VIII issue Rs. 1,00,000.

Calculate deduction allowable to him u/s 80G.

- o o o -

