

No. of Printed Pages : 6

21BCOM6C17

Sl. No.

B.Com. VI Semester Degree Examination, Sept./Oct. - 2024

COMMERCE

DSC17 : Income Tax Law and Practice - II

(NEP)

Time : 2 Hours

Maximum Marks : 60

Note : Answer **all** the Sections according to internal choice.

SECTION - A

1. Answer the following sub-questions. Each sub-question carries **one** mark. **10x1=10**

- (a) What is Business ?
- (b) What do you mean by Capital Assets ?
- (c) What is Short Term Capital Gains ?
- (d) Expand TDS and TCS.
- (e) Give any two examples for allowable expenses.
- (f) What is Tax free Securities ?
- (g) What is Bond-Washing Transactions ?
- (h) Give any two examples for Casual Incomes.
- (i) What is carry forward losses ?
- (j) What is Total Income ?

P.T.O.

SECTION - B

Answer **any four** of the following questions. Each question carries **five** marks.

4x5=20

2. Mention whether the following expenses are allowable or not while computing income from business.
- Purchase of Furniture
 - Sales tax
 - Bad debts
 - Provision for income tax
 - Donations
3. From the following information of Mr. Anil Kumar compute the taxable Capital Gains.
- | | |
|--|---------------|
| (a) Cost of acquisition of house in 2001-02 | Rs. 6,00,000 |
| (b) Sale proceeds on 01-08-2022 | Rs. 24,94,000 |
| (c) Cost of the new house purchased | Rs. 2,50,000 |
| (d) Amount deposited in capital gains account scheme | Rs. 50,000 |
4. From the following details of Gururaj, compute his income from other sources for the A.Y. : 2023-24.
- | | |
|---|------------|
| (a) Family Pension | Rs. 24,000 |
| (b) Winning from Lottery (Net) | Rs. 56,000 |
| (c) Royalty incomes (Manuscript expenses Rs. 1,400) | Rs. 16,400 |
| (d) Income from agriculture in England | Rs. 20,000 |
| (e) Directors fees | Rs. 6,000 |
5. From the following information compute the total income of Rajesh.
- | | |
|----------------------------------|--------------|
| (a) Income from Business | Rs. 3,00,000 |
| (b) Income from house property | Rs. 1,00,000 |
| (c) Long term Capital Gains | Rs. 75,000 |
| (d) Interest in debentures | Rs. 10,000 |
| (e) Winning from Lotteries (Net) | Rs. 1,40,000 |
6. Explain the Powers of CBDT.
7. Mr. Sai, 50 years of age has furnishes the incomes as under :
- | | |
|---|--------------|
| (a) Income from Profession | Rs. 2,00,000 |
| (b) Income from house property | Rs. 1,00,000 |
| (c) Income from Capital Gains | Rs. 4,00,000 |
| (d) Royalty received | Rs. 1,00,000 |
| (e) During the year he donate the amount to National Development Fund (NDF) | Rs. 50,000 |
- Compute his tax liability for the A.Y. : 2023-24.



SECTION - C

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

3x10=30

8. From the following particulars furnished by Mr. Vasanth Kumar, compute his income from business.

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To Salaries	2,20,000	By Gross profit	12,00,000
To Office rent	1,80,000	By Rent from house property	1,44,000
To General Expenses	60,000	By Interest on POSB A/c	69,400
To Sales Tax	20,000	By Share of income from HUF	1,00,000
To Income Tax	30,000		
To Bad debts	15,000		
To Municipal Taxes	24,000		
To Fire insurance	5,000		
To Car expenses	80,000		
To Life insurance premiums	40,000		
To Donation to VSK university	1,20,000		
To Depreciation	1,00,000		
To Net profit	6,05,400		
	15,13,400		15,13,400

Other Information :

- Municipal taxes and fire insurance pertain to house property let-out.
- General expenses include Rs. 15,000 compensation paid to an employee on termination of his office in the interest of business.
- Half of the car Expenses relates to his personal use.
- Depreciation as per IT Rule Rs. 80,000.



9. Miss Sahana is a Doctor in Ballari. Her receipts and payments account for the year 2022-23 was as under.

Dr.		Cr.	
Receipts	Amount	Payments	Amount
To Balance b/d	4,250	By House hold expenses	22,500
To Consultation fees	1,37,500	By purchase of Surgical equipment	25,000
To Visiting fees	12,500	By Purchase of Car	50,000
To Gain on horse race	10,000	By Salary to Staff	40,000
To share in ancestral property	20,000	By Rent of Dispensary	12,000
To Dividend from Indian Co.	4,000	By Income Tax	3,000
To Gift from patients	10,000	By Gift to Daughter	4,000
To Interest on securities (Gross)	5,000	By Cost of medicine	30,000
To Interest on POSB A/c	1,250	By Car expenses	6,000
To Bank Loan	25,000	By Lab expenses	1,000
		By Balance c/d	36,000
	2,29,500		2,29,500

Other Information :

- (a) Half of the Car expenses relates to personal use.
 (b) Allowable depreciation Rs. 8,000.

Compute income from profession for the A.Y. : 2023-24.



10. From the following information compute the Taxable capital gains of Miss. Priya for the A.Y. : 2023-24.

Particulars	Jewellery (Rs.)	Non-listed Shares (Rs.)
Cost of Acquisition	2,00,000	31,500
Year of Purchase	1989-90	2002-03
Cost of Additions	40,000	25,800
Year of Additions	1999-2000	2007-08
Cost of Improvement	1,17,000	-
Year of Improvement	2005-06	-
Selling expenses	-	1,000
Sale proceeds	16,52,800	4,01,500
Year of Sale	2022-23	2022-23

The fair market value of Jewellery as on 1-4-2001 was Rs. 2,80,000. The cost inflation index were :

2001-02 = 100, 2002-03 = 105

2005-06 = 117, 2007-08 = 129 and 2022-23 = 331

11. From the following particulars of incomes of Mr. Kishor for the A.Y. : 2023-24 compute the income from other sources.

- | | |
|--|--------------|
| (a) Winning from Lotteries (Net) | Rs. 70,000 |
| (b) Directors fees from Company | Rs. 40,000 |
| (c) Interest on bank deposits | Rs. 10,000 |
| (d) Royalty Received | Rs. 50,000 |
| (e) Income from undisclosed sources | Rs. 60,000 |
| (f) Winning from horse race | Rs. 1,40,000 |
| (g) Interest on Tax free securities
of a Company (non-listed) | Rs. 45,000 |
| (h) Dividend from co-operative society | Rs. 20,000 |
| (i) Interest on POSB account | Rs. 10,000 |



12. From the following particulars furnished by Mr. Manohar, compute his total income for the A.Y. : 2023-24.

Profit and Loss Account

Dr.	Rs.	Cr.	Rs.
To Salaries	22,000	By Gross Profit	1,20,000
To Office rent	18,000	By Rent from House Property	14,400
To General Expenses	6,000	By Winning from lotteries (Net)	7,000
To Sales Tax	2,000	By Interest on Govt. Securities (Gross)	10,000
To Income Tax	3,000		
To Bad debts	1,500		
To Municipal Taxes	2,400		
To R.B.D.D.	1,400		
To Fire Insurance	500		
To Car Expenses	8,000		
To Life Insurance Premium	4,000		
To Donation to University	12,000		
To Depreciation	10,000		
To Net Profit	60,600		
	1,51,400		1,51,400

Other information :

- (a) Municipal Taxes and Life insurance pertain to house property let out.
- (b) Half of the Car expenses relate to his personal use.
- (c) Depreciation allowable as per IT Rules Rs. 8,000.

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