



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

COMMERCE

Income Tax Law and Practice - I

(NEP)

Time : 2 Hours

Maximum Marks : 60

SECTION - A

Answer the following sub-questions, each sub-question carries **one** mark.

10x1=10

1. (a) What is Gross Total Income ?
- (b) State the basic conditions for determining the residential status of an Individual.
- (c) State any four fully exempted incomes.
- (d) Define perquisite U/S 17 (2).
- (e) What is net Annual value ?
- (f) What is Provident fund ?
- (g) What is Property ?
- (h) What do you mean by Tax Deducted at Source ?
- (i) What is Total income ?
- (j) Who is an Assessee ?

SECTION - B

Answer **any four** of the following, each questions carries **five** marks.

4x5=20

2. State with reasons whether the following are Agricultural incomes or not :
 - (a) Dividend received from a company engaged in Agriculture.
 - (b) Income from sale of grass and bamboos of spontaneous growth.
 - (c) Income from land let out for Agricultural purpose.
 - (d) Income earned by running a dairy farming.
 - (e) Income from sale of earth for brick-making.
3. Mr. Vinay is covered by payment of Gratuity Act 1972 retired from Mahesh Ltd. on 15-10-2022 after completing 29 years and 11 months of service. In the month of September his basic salary was Rs. 18,000 and dearness allowance (50% includes in retirement benefits) Rs. 8000. During the year he received gratuity of Rs. 5,00,000.
Calculate exempt and taxable gratuity for the A.Y. 2023-24.



4. Mr. Sudarshan is an officer in State Bank of Mysore at Gulbarga the Bank has taken a building on rent of Rs. 6,000 p.m. and given it to Mr. Sudarshan for his residence at free of cost. Mr. Sudarshan's remuneration for the previous year 2022-23 is as follows :
- | | |
|---|-----------------|
| Basic salary | Rs. 30,000 p.m. |
| Dearness Allowance (50% included in retirement benefit) | Rs. 3,000 p.m. |
| Medical Allowance | Rs. 2,000 p.m. |
| City Compensatory Allowance | Rs. 1,500 p.m. |
- Compute the value of rent-free accommodation for A.Y. 2023-24.
5. Mr. Rahul owns a house property in Hubballi. During the previous year 2022-23. he let out 2/3rd portion of the house for Rs. 30,000 p.m. and remaining portion is used for his self occupation. The other details of the house are as under :
- | | |
|-----------------|--------------|
| Municipal Value | Rs. 4,50,000 |
| Fair Rent | Rs. 4,80,000 |
| Standard Rent | Rs. 5,10,000 |
- The let out portion remained vacant for two months. Calculate the gross annual value of let out portion.
6. A resident employee Ramanand aged 50 years is working in an organisation on a monthly fixed salary of Rs. 1,00,000. He invested Rs. 50,000 in LIC, Rs. 60,000 in RPF, Rs. 40,000 in NSC. What will be the monthly TDS U/S 192 in the A.Y. 2023-24 ? Assume he has not opted for new tax regime.
7. Mr. Arjun Nayar whose gross total Income is 70,00,000 (Including Rs. 20,00,000 as share from association of person) makes the following donations.
- National Blood Transfusion Council Rs. 1,00,000
 - The Africa (Public contribution) fund Rs. 2,50,000
 - Municipal Corporation Fund Rs. 1,25,000
 - City Municipal Corporation, Gulbarga for promoting family planning Rs. 1,70,000.
 - Mr.Sunil Dutta, a social activist for charity purpose Rs. 50,000
 - The Indira Gandhi Memorial Trust Rs. 40,000.
 - Jawaharlal Nehru Memorial fund Rs. 2,50,000.
 - Notified temple for Repair Rs. 4,00,000
 - National Drug Abuse Rs. 25,000
- Calculate deduction U/S 80G.

SECTION - C

Answer **any three** of the following, each questions carries **ten** marks. **3x10=30**

8. (a) Mrs. Shashikala of Chennai is employed as a Manager of TVS Company. The particulars of her salary for the P.Y. 2022-23 are as under :
- Basic salary Rs. 7,000 p.m.
 - DA (taken for RB) Rs. 3,000 p.m.
 - Conveyance allowance Rs. 1,000 p.m.
 - Commission at 1% on turnover of Rs. 7,00,000 achieved by her
 - HRA Rs. 3,000 p.m.
 - CCA Rs. 500 p.m.
 - Medical allowance Rs.1,000 p.m.
 - The Actual rent paid by her is Rs. 2,500 p.m.
- Calculate taxable HRA.



- (b) Mr. Rakesh, working in a private company, Retired on 1-02-2023 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. From the following particulars of Mr. Prasad pertaining to P.Y. 2022-23, Compute his taxable income, if he is :

- (a) Resident (b) Not Ordinarily Resident (c) Non Resident
- (i) Income from Agriculture in Pakistan received in India Rs. 60,000.
- (ii) Income accrued in India but received in Japan Rs. 24,000.
- (iii) Payment received in USA for services rendered in India Rs. 24,000.
- (iv) Salary received in India Rs. 40,000 for the services rendered in Iran.
- (v) Income from business (controlled from India) in Srilanka Rs. 30,000 recieved there and remitted to India.
- (vi) Income earned and recieved in Bangladesh from Bank deposits Rs. 8000.
- (vii) Interest in respect of Securities in a French company received outside India Rs. 20,000.
- (viii) Served for two months in an Indian embassy situated in Siriya and salary received there Rs. 40,000.
- (ix) Business profit earned in the past but remitted to India in the previous year Rs. 22,000.
- (x) Salary received from UNO Rs. 40,000.
- (xi) Income from Agriculture in India Rs. 40,000.
- (xii) Interest on Savings Bank A/c Rs. 2,000.

10. Mr. Jayadhar a plant Engineer in a Private Sector Company in Chennai furnishes the following information of his salary income for the previous year 2022-23.

- (a) Basic pay 15000 p.m.
- (b) Dearness allowances Rs. 4,000 p.m. considered for retirement benefits.
- (c) Bonus equal to two months salary.
- (d) City compensatory allowance Rs. 1,000 p.m.
- (e) Medical allowance at Rs. 1500 p.m.
- (f) Education allowance for one child at Rs. 900 p.m.
- (g) House rent allowance at Rs. 4,500 p.m. He is living in a rented house in Chennai for which he pays a monthly rent of Rs. 6,000.
- (h) He was provided with a motor car of 1600 CC along with driver and the company meets all the running and maintenance expenses. The car is used for private as well as official purposes.
- (i) He contributes to recognised provident fund at 16% of his salary and employer also contributed equally.
- (j) Interest credited to the above RPF balance at 11% was Rs. 4,000 per annum.
- (k) Sweeper and a domestic servant were appointed for the services of the employee at a monthly wages of Rs. 400 and Rs. 800 respectively and are paid by the Company. The assessee paid professional tax at Rs. 200 p.m.

Compute his Income from salary for the assessment year 2023-24.



11. From the following particulars by Mr. Rajashekar compute his income from house property for the assessment year 2023-24.

Particulars	House-I (Letout)	House-II (Letout)
Municipal value	50,000	40,000
Actual Rent for the year	48,000	60,000
Unrealized rent for the year	4,000	-
Rent for the vacant period	8,000	-
Municipal taxes paid by the owner	5,000	4,000
Interest on loan taken for construction	6,000	5,000
Repairs	8,000	5,000

Municipal taxes paid in respect of the house-I includes arrears of earlier year Rs.1,000.

12. Mr. Ashwath has paid the following donations during the previous year 2022-23.

(a) National Defence Fund	Rs. 1,00,000
(b) National Children's Fund	Rs. 1,00,000
(c) Prime Ministers National Relief Fund	Rs. 2,00,000
(d) Prime Ministers Drought Relief Fund	Rs. 1,00,000
(e) An approved Medical college	Rs. 3,00,000
(f) An approved Charitable Institutions	Rs. 2,00,000
(g) For repairs and renovations of Notified temple	Rs. 50,000
(h) For Repairs and renovations of Notified Church	Rs. 50,000
(i) Books Donated to approved school	Rs. 50,000
(j) A Municipality for the promotion of family planning	Rs. 1,50,000

Mr. Ashwath's gross total income amounted to Rs. 52,00,000 which includes long term capital gains Rs. 1,00,000 and the share of Income of Rs.1,00,000 from the association of persons. (Whip has paid tax on its total Income). Compute the amount of deduction allowable to Mr. Ashwath for the assessment year 2023-24. Under Section 80G.

