

**PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION MAY 2023  
(Third Semester)**

Branch – **COMMERCE (PROFESSIONAL ACCOUNTING)**

**DIRECT TAX**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. An individual who wants to be a resident in India u/s 6(1) (a) has to stay in India atleast.
 

(i) 50 days	(ii) 365 days
(iii) 730 days	(iv) 182 days
2. Rent fixed as per Rent Control Act is called.
 

(i) Fair rent	(ii) Actual rent
(iii) Standard rent	(iv) None of these
3. Out of the following, which expenses is an inadmissible expense is.
 

(i) Excise duty	(ii) Sales tax
(iii) Bad debts	(iv) Income tax
4. Winning from lottery is subject to TDS if the prize exceeds.
 

(i) Rs. 5,000	(ii) Rs. 10,000
(iii) Rs. 12,000	(iv) Rs. 1,00,000
5. Deduction under section 80C applies to.
 

(i) Individual & HUF	(ii) Firm
(iii) Company	(iv) Co-operative society

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a) Mr. Ramkumar is citizen of Sri Lanka had been staying in India since 1995. He left India on 20.08.2021 for Sri Lanka and returned on 6.2.2022. Determine his residential status for the previous year 2021 – 2022.  
OR
- b) Define the term Assessment year and Previous year.
- 7 a) Mr. Ashikh retired in September, 2021 after having put in 42 years of service in a company. His average salary for 10 months preceding Sept. 2021 was Rs.25,000 p.m. He received a gratuity of Rs. 6,00,000. Compute his taxable gratuity.  
OR
- b) Calculate Gross Annual Value of Mr. Vasu who a house in Chennai which was let out during previous year 2021 – 22.
 

Actual rent received Rs. 20,000 p.m.
Standard rent Rs. 1,60,000
Municipal value Rs. 1,60,000
Fair rent Rs. 1,70,000
- 8 a). Mr. X gives you the following particulars from his accounts for the year ending 31.3.2022. Following items have debited to profit and loss account:
 

(i) Net profit as per profit and loss account Rs. 3,00,000
(ii) Contribution to unrecognized provident fund Rs. 20,000
(iii) Provision for income tax Rs. 10,000
(iv) Advertisement Rs. 10,000
(v) Provision for excise duty Rs. 5,000
(vi) interest on late payment of sales tax Rs. 1,000
(vii) Office expenses Rs. 3,000

Calculate the taxable income from business for the previous year 2021-22

Cont...

OR

b) Explain the methods of depreciation under the Income Tax Act 1961.

- 9 a) Mr. Vishal sold his residential house for Rs. 7,50,000 in November, 2021. Indexed cost of this house was Rs. 2,30,000. He paid 3 % of sale as commission to broker. He purchased another house on 26th January, 2022 for Rs. 2,00,000. Compute his capital gains for the AY 2022-23.

OR

b) Mr. S.B.Singh, a College Professor, furnished the following particulars. You are required to compute income from other sources:

- (i) Examination remuneration Rs. 7,000
- (ii) Royalty from books and articles Rs. 25,000
- (iii) Winnings from card games Rs. 6,700
- (iv) Winnings from State lottery Rs. 30,000

- 10 a) Mr. Narain's previous year gross total income is Rs. 6,00,000. He has made the following donations. Calculate his taxable total income.
- |  | Rs.    |
|--|--------|
| (i) National foundation for communal harmony | 10,000 |
| (ii) National children's fund                | 20,000 |
| (iii) National Defence Fund                  | 25,000 |

OR

b) Following are the particulars of income of Mr. Mohan for the previous year ended 31.3.2022.

- Dividend Rs. 40,000
- Loss from house property Rs. 64,000
- Interest from bank deposit Rs. 20,000
- Business income Rs. 1,00,000
- Loss in speculation business Rs. 6,000
- Short term capital loss Rs. 20,000
- Long term capital gain Rs. 30,000

Compute the gross total income of Mr. Mohan after setting off of the different losses against other incomes.

### SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 6 = 30)

- 11 a) Explain the rules relating to residential status of an individual assessee.

OR

b) Mr. Sasikumar furnishes the following particulars of his income:

- (i) Salary received in India Rs. 60,000
- (ii) Profits from business in Germany but received in India Rs. 15,000
- (iii) Income from house property in Pakistan, deposited in a bank there Rs. 12,000
- (iv) Profits from business established in Bangladesh but business is controlled from India Rs. 46,000
- (v) Income accrued in India but received in Sweden Rs. 25,000
- (vi) Profit on sale of plant at Mumbai (50% received in Bangkok) Rs. 1,60,000
- (vii) Interest on Japan development Bonds (60% received in India) Rs. 1,00,000

Compute his gross total income if he is

- (i) Ordinary Resident; (ii) Not Ordinarily Resident; (iii) Non-resident

- 12 a). Mr. Mano, a software Engineer in WIPRO Ltd. Has furnishes the following information;

- (i) Basic salary Rs. 25,000 p.m.
- (ii) D.A Rs. 5,000 p.m.
- (iii) CCA Rs. 3,000 p.m.
- (iv) Marriage gift Rs. 20,000
- (v) Medical allowance paid by company Rs. 12,000
- (vi) LIC premium paid by company Rs. 6,000 p.a.
- (vii) Cost of the Laptop provided by the company Rs. 20,000
- (viii) Employers' and his contribution to RPF 14% of salary and interest credited @ 9.5% amounted to Rs. 3,250.

Find his salary income for the Assessment year 2022-23.

OR

- b) Mr. Karthick furnishes the following particulars regarding his house property.

MRV Rs. 90,000      FRV Rs. 1,20,000      SR Rs. 1,40,000

Actual rent received Rs.12,000 p.m.      Municipal tax paid Rs. 15,000

Interest on borrowed loan Rs. 30,000

Compute his income from house property for the A. Y. 2022-2023.

- 13 a) Compute taxable Business income from the following particulars:

**Profit and Loss Account**

Particulars	Rs.	Particulars	Rs.
To Rent	75,000	By Gross profit	5,25,000
To Salary to staff	1,20,000	By Sundry receipts	1,75,000
To Legal expenses	1,50,000	By Rent of building	2,00,000
To Donations	20,000	By Commission	1,00,000
To Fire insurance	50,000		
To Bonus to proprietors	80,000		
To Drawings	85,000		
To Depreciation	70,000		
To Net profit	3,50,000		
	<b>10,00,000</b>		<b>10,00,000</b>

OR

- b) Gopichand Industries furnishes you the following information:

(i) WDV as on 1.4.2021:

Block I – Plant & Machinery (Consisting of 10 looms) – Rate of depreciation 15% = Rs. 5,00,000.

Block II – Building (consisting of 3 buildings) – rate of depreciation 10% = Rs. 12,50,000

(ii) Acquired on 5.7.2021 : 16 looms for Rs. 4,00,000

(iii) Sold on 7.12.2021 : 16 looms for Rs. 10,00,000

(iv) Acquired on 10.1.2022 : 2 looms for Rs. 3,00,000

Compute the eligible depreciation claim for the assessment year 2022-23.

- 14 a) Mr. Ram owns many properties he sold some of the properties during the previous year 2021-22.

(i) House hold furniture costing Rs. 60,000 acquired in 2007-08 sold for Rs. 3,20,000.

(ii) Jewellery purchased by him on 10.3.2005 for Rs. 1,05,000 was sold for Rs. 5,85,000

(iii) He invests Rs. 70,000 in bonds with NHAI out of the sale consideration.

(iv) CII for 2005 - 06 = 113 ; 2007- 08 = 129 ; 2021-22 = 317

OR

- b) The following are the details relating to Mr. Siddharth for the P.Y. 2021-22. Compute income from other sources:

(i) Income from agriculture in Pakistan Rs. 50,000

(ii) Interest on post office savings bank Rs. 10,000

(iii) Dividend from foreign company Rs. 7,000

(iv) Dividend from Indian company Rs. 10,000

(v) Rent from sub-letting house Rs. 26,250

(vi) Expenses for sub-letting house Rs. 1,000

(vii) Winning from lottery (Net) Rs. 1,40,000

- 15 a) From the following particulars of Mr. Ram, compute his total income by adjusting the carry forwarded losses.

(i) Income from house property Rs. 5,000

(ii) Loss from hosiery business Rs. 18,000

(iii) Income from steel business Rs. 25,000

(iv) Income from speculation business Rs. 16,000

(v) Short term capital gain Rs. 30,000

Brought forward from the previous year 2019 – 20:

(i) Loss from house property Rs. 2,000

(ii) Loss from agency business Rs. 7,000

(iii) Loss from speculative business Rs. 5,000

(iv) Short term capital loss Rs. 4,000

(v) Long term capital loss Rs. 6,000

OR

- b). Describe any 10 deduction under section 80 of income tax act 1961.