

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2023
(Fourth Semester)

Branch – BANKING , STOCK AND INSURANCE

INCOME TAX

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- The present Income Tax Act is known as
(i) Income Tax Act 1860 (ii) Income Tax Act 1917
(iii) Income tax Act 1961 (iv) Income Tax Act 1926
- Employer's contribution to RPF is exempt up to:
(i) 10% salary (ii) 9.5 % salary (iii) 12 % salary (iv) 15 % salary
- State how House Property Income is calculated
(i) House Property Income = Annual Value - Deductions specified under Sec.24
(ii) House Property Income = Annual Value + Deductions specified under Sec.24
(iii) House Property Income = Annual Value * Deductions specified under Sec. 24
(iv) House Property Income = Annual Value / Deductions specified under sec.24
- Capital gain is chargeable to tax under
(i) Sec.65 (ii) Sec.45 (iii) Sec.25 (iv) Sec.5
- The commissioner of Income Tax is appointed by
(i) Central Govt. (ii) RBI (iii) CBDT (iv) IRDA

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- a. Differentiate capital expenditure from revenue expenditure.
(OR)
b. Mr. Ramesh , an American national, comes to India for the first time in last 20 years on July 20, 2021. On January 29, 2022 he leaves India for Africa. Determine his residential stats for the assessment year 2022-23.
- a. Mr. Natraj is an employee in Delhi and gets the following emoluments:
Basic Salary 8,000 p.m.
D.A 6,000 p.m (farming part)
Bonus 10,000
CCA 2,000 p.m.
Conveyance allowance Rs. 500 p.m. (actual amount spent Rs. 4,000 p.m) . He is provided with a rent free house. Calculate taxable vale of rent free house on the assumption that the population is 26 lakhs.
(OR)
b. Find NAV for the AY 2022-23 from the following:
Municipal Value Rs. 30,000
Rent received Rs. 35,000
Standard rent Rs. 29,000
Municipal tax paid:
For PY2020 – 21 Rs. 3,000
For PY 2021-22 Rs. 3,000

Cont...

8. a. Mr. Jothi purchased a house property on 1st September, 1999 for Rs. 2,10,000. Fair Market value of the property on 1st April 2001 was Rs. 1,70,000. He incurred the following expenses:

- (a) construction of a room on the ground floor during 2000-01 Rs. 10,000.
 (b) Renewable and reconstruction in 2012-13 Rs. 2,92,000. The property was transferred on 31st March 2022, for Rs. 18,00,000. Compute the Capital Gain.
 C.I.I for 2012-13 = 200; 2017-18 = 272; 2020-21 = 301; 2021-22 = 317.

(OR)

- b. From the following information, compute the amount of depreciation allowable for the AY 2022-23.

	Rs.
WDV on furniture on 1.4.2021	1,10,000
Furniture purchased on 10.6.2021	15,000
Furniture purchased on 18.01.2022	20,000
Part of furniture sold in Feb.2022	3,000
Rate of depreciation	10%

9. a. From the following incomes of Mr. Gopal for the assessment year 2022-23, compute his income from other sources:

- (a) Income from Agriculture in Burma Rs. 40,000
 (b) Income from letting a vacant land for godown in Agra (monthly) Rs. 1,000.
 (c) Income from letting a vacant land in Agra for village market Rs. 5,000
 (d) Management consultancy remuneration Rs. 50,000
 (e) Royalty received (allowable expenses Rs. 5,00) Rs. 5,000

(OR)

- b. Compute the taxable income of Mr.D.

	Rs.
(a) Income from card games	50,000
(b) Loss from card games	5,000
(c) Loss on maintenance of race horses	10,000
(d) Profit on race horses (stake money)	20,000

10. a. Explain briefly about CBDT.

(OR)

- b. state the various income return forms.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. a. Mr. John, a foreign national came to India for the first time on June 15th 2016. He had stayed in India during the financial years 2016-17, 2017-18, 2018-19, 2020-21 and 2021-22 for 115 days, 15 days, 191 days, 124 days and 80 days respectively. Determine his residential status for the AY 2022-23.

(OR)

- b. Following are the incomes of Mr. Sunilkumar for the previous year 2021-22. Calculate the taxable income on the assumption that he is a

- a. Ordinarily Resident b. Not ordinarily Resident c. Non-Resident.

- i. Profit from business carried from Hyderabad Rs. 50,000
 ii. Income accrued in India but received in Hong Kong Rs. 75,000.
 iii. Past untaxed income brought into India during the previous year Rs. 42,000.
 iv. Income from house property situated in Sri Lanka during the PY Rs. 48,000.
 V. Income from agriculture in USA Rs. 1,00,000

12. . Compute salary income from the following

- (i) salary @ Rs. 6,250 p.m
 (ii) D.A @ Rs. 3,000 p.m (30% enters into retirement benefits)
 (iii) Commission @2% on turnover of Rs. 8,00,000
 (iv) Bonus Rs. 6,000
 (v) PF Contribution by employer and employee @ 14% of salary.
 (vi) Interest credited during the year to PF @ 11 % being Rs. 5,000.
 Calculate salary income if provident fund is Recognised Provident Fund.

(OR)

b. Mr. Raju is an officer at a company in Chennai From the following particulars, compute his salary income.

	Rs.
a) Basic Salary	1,20,000
b) Dearness Allowance	24,000
c) House rent allowance	12,000
d) Children Education Allowance	6,000
e) Medical allowance	4,800
f) Contribution to R.P.F.	12,000
g) Employer contribution to R.P.F.	12,000
h) Interest credited to R.P.F at 14%	3,700

13. a. Following is the profit and loss account of a merchant for the year ending 31st March 2022.

Profit and Loss account

	Rs.		Rs.
To Office Salary	6,500	By Gross Profit	36,750
To Bad debts written off	1,700	By Commission	1,250
To Provision for bad debts	3,000	By Discount	500
To Advertisement	3,800	By Sundry receipt	200
To Fire insurance	550	By Profit on sale of	
To General Expenses	2,750	investments	3,000
To Depreciation	1,200	By Rent of building	3,600
To Interest on Capital	2,000		
To Interest on bank			
loan(due)	1,300		
To Net Profit	22,500		
	45,300		45,300

(OR)

b. Mr. Ram, a chartered accountant, bought the following assets during the PY 2021-22.

	Date of Acquisition	Cost (Rs.)	Rate of Depreciation
Computer with Printer	2.11.2021	72,000	60%
Office Almira	1.04.2021	5,040	10%
Electronic typewriter	1.07.2021	15,000	15%
Office table and book stand	1.04.2021	24,000	10%
Books (annual publications)	2021-22	72,000	100%

Find the amount of depreciation for the year 2021-22 and WDV of the assets on 1.4.2022.

14. a. The following incomes were received by Mr. 'A' during the financial year 2021-22.

	Rs.
Director's fees	6,000
Income from agriculture land (in Pakistan)	40,000
Income from Post Office Savings Bank A/c	1,500
Interest on Fixed Deposits – IOB	1,800
Winning from lottery (Net)	62,000
Royalty on Books (Expenses on the books Rs.4,000)	20,000
Crossword puzzles	2,500

Compute the income from other sources.

(OR)

b. Explain in detail about deductions u/s 80 C

15. a. Explain about the Powers and functions of Assessing Officer.

(OR)

b. Explain the various types of Assessment?

Z-Z-Z END