

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch – **COMMERCE (COST & MANAGEMENT ACCOUNTING)**

DIRECT TAXATION – I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Income tax computed on (a) Capital (c) Revenue (b) Wealth (d) Income	K1	CO1
	2	Under Income Tax Act, the incidence of taxation depends upon (a) The citizenship of the tax payer (b) Residential status of the tax payer (c) The age of the tax payer (d) The community of the tax payer	K2	CO1
2	3	The maximum amount allowed as deduction for entertainment allowance is (a) Rs. 5,000 (c) Rs. 15,000 (b) Rs. 10,000 (d) Rs. 50,000	K1	CO2
	4	Interest on pre-construction period will be allowed in ----- equal annual instalments. (a) 2 (b) 3 (c) 4 (d) 5	K2	CO2
3	5	Payment made to an approved scientific research association is deductible upto ---- (a) 50% (b) 25% (c) 100% (d) 75%	K1	CO3
	6	Expenses exceeding ----- paid in cash disallowed to the extent of 100%. (a) Rs. 10,000 (c) Rs. 20,000 (b) Rs. 30,000 (d) Rs. 40,000	K2	CO3
4	7	A long term capital asset except financial assets is an assets held for more than----- (a) 12 months (c) 36 months (b) 24 months (d) 48 months	K1	CO4
	8	In the case of casual income the tax deducted at source at the rate of ----- (a) 20% (b) 30% (c) 40% (d) 25%	K2	CO4
5	9	Income of minor child is included in the total income of (a) Transferor of assets (b) Father (c) Parent whose income is greater (d) Transfer to saving a/c	K1	CO5
	10	Short term capital loss can be set off against (a) Short term capital gain (b) Long term capital gain (c) Any capital gain (d) Any head of income	K2	CO5

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SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO												
1	11.a.	Explain various types of Assessee.	K2	CO1												
		(OR)														
	11.b.	Following are the income of Mr. Arun for the previous year 2023-24. (i) Interest from an Indian company received in Germany Rs. 1,00,000. (ii) Pension from former employer in India received in U.K. Rs. 2,00,000. (iii) Profits made from a business in Hongkong which is controlled from India, (Half of the profits being received in India) Rs. 20,000. (iv) Income from companies in USA and received in India Rs. 1,00,000. (v) Income from Agriculture in USA and received in India Rs. 10,000. (vi) Past untaxed income brought to India Rs. 50,000. Show Gross Total income of Arun for the Assessment year 2023-24. If he is (i) Ordinary Resident (ii) Not Ordinarily Resident (iii) Non Resident.														
2	12.a.	Identify the exempted allowance of the following: (i) Mr. X employed at Chennai at a salary of Rs. 6,000 p.m. The employer is paying HRA of Rs. 700 p.m. but the actual rent paid by him is Rs. 800 p.m. Compute the exempted HRA. (ii) Mr. Danial is a Government employee gets Rs. 80,000 per annum as basic pay. In addition he receives Rs. 20,000 as entertainment allowance. Calculate deduction under entertainment allowance.	K3	CO2												
		(OR)														
	12.b.	Mr. Manimaran is the owner of house. In respect of this he has furnished the following particulars: <table><tr><th>Particulars</th><th>House A (Rs.)</th></tr><tr><td>Municipal rental value</td><td>3,60,000</td></tr><tr><td>Actual rent received</td><td>3,00,000</td></tr><tr><td>Municipal tax paid</td><td>36,000</td></tr><tr><td>Ground rent</td><td>1,000</td></tr><tr><td>Interest on loan taken for construction</td><td>50,000</td></tr></table> Calculate his income from house property for the assessment year 2023-24. Out of the Municipal taxes of House A, Rs. 18,000 is paid by the tenant.	Particulars	House A (Rs.)	Municipal rental value	3,60,000	Actual rent received	3,00,000	Municipal tax paid	36,000	Ground rent	1,000	Interest on loan taken for construction	50,000		
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3	13.a.	Analyze the provision regarding expenditure on Scientific research u/s 35.	K4	CO3												
		(OR)														

Cont...

3	13.b.	Varun commenced production on June 1, 2022. The assessee made the following expenditure on scientific research upto the year ending on March 31, 2023. Choose the amount of deduction available: (a) Expenditure on salary to research personnel during the 12 months ending on October 30, 2020; Rs. 40,000. (b) Contribution made to a college for scientific research Rs. 7,50,000. (c) Contribution made to university for research in social research Rs. 5,00,000. (d) Loss of stock due to fire Rs. 30,000	K4	CO3
4	14.a.	Mr. Ramesh, a resident Indian, sold gold for 28,50,000 on May 20, 2023, where he acquired on April 16, 1977 at a cost of Rs. 1,80,000. The fair market value of gold on April 1, 2002 was Rs. 1,50,000. He has invested Rs. 6,00,000 in buying a residential house on June 15, 2024. Ascertain the capital gains chargeable to tax during the Assessment year 2023-24. CII for 2001-02.	K3	CO4
	14.b.	(OR) Mr. Sundhar furnishes the following informations Identify his income from other sources for the Assessment year 2023-24: (i) Royalties from books Rs. 52,000 (ii) Directors fees 30,000 (iii) Interim dividend from Y Ltd. Salem Rs. 25,000. (iv) Dividend from co-operative society Rs. 15,500 (v) Income undisclosed sources Rs. 10,000 (vi) Income from letting of P&M along with Building Rs. 32,500 (vii) Winning from lotteries (gross) Rs. 35,000 (viii) Winnings received from horse race(net) Rs. 70,000		
5	15.a.	Mr. Singaravel has furnished the following particulars. Examine his Gross total income for the previous year 2023 -24. (i) Income from salary Rs. 80,000 (ii) Loss from house property Rs. 32,000 (iii) Loss from business Rs. 15,000 (iv) Short term capital loss Rs. 8,000 (v) Long term capital gain Rs. 18,000 (vi) Income from other sources Rs. 35,000	K4	CO5
	15.b.	(OR) Calculate amount of deduction u/s 80C from the following informations: (i) Contribution to RPF Rs. 15,000 (ii) Contribution towards NSC- VII issue Rs. 11,000 (iii) Insurance premium on own life (Sum assure Rs. 1,50,000) Rs. 25,000 (iv) Insurance premium towards life of his wife (Sum assure Rs. 1,50,000) Rs. 2,500 (v) Repayment of housing loan (Principal – Rs. 50,000; Interest – Rs. 35,000) Rs. 85,000.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO																																												
1	16	Explain the different types of sources of Income.	K4	CO1																																												
2	17	Mr. Surendiran employee of Madurai (population 18 laksh) based company provides the following particulars of his salary income: (i) Basic salary Rs. 25,000 p.m (ii) Profit bonus Rs. 12,500 (iii) Commission on turnover Rs. 42,500 (iv) Entertainment allowance Rs. 2,500 p.m. (v) Club facility Rs. 12,500 (vi) Transport allowance Rs. 1,800 p.m. (vii) Rent free house provided by the employer lease rent paid by the employer Rs. 6,000 p.m. (viii) Gas, Electricity and Water bill issued in the name of employee but paid by employer Rs. 26,800. Compute taxable income under the head of salary.	K4	CO2																																												
3	18	Calculate Business income from the following particulars: Profit and Loss Account <table><thead><tr><th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr></thead><tbody><tr><td>To Rent</td><td>75,000</td><td>By Gross profit</td><td>6,00,000</td></tr><tr><td>To Salary to staff</td><td>1,20,000</td><td>By Sundry receipts</td><td>1,75,000</td></tr><tr><td>To Legal expenses</td><td>1,50,000</td><td>By Rent of building</td><td>2,00,000</td></tr><tr><td>To Donations</td><td>50,000</td><td>By Commission</td><td>1,25,000</td></tr><tr><td>To Fire insurance</td><td>50,000</td><td></td><td></td></tr><tr><td>To Bonus to proprietors</td><td>80,000</td><td></td><td></td></tr><tr><td>To Drawings</td><td>85,000</td><td></td><td></td></tr><tr><td>To Depreciation</td><td>70,000</td><td></td><td></td></tr><tr><td>To Net profit</td><td>4,20,000</td><td></td><td></td></tr><tr><td></td><td>11,00,000</td><td></td><td>11,00,000</td></tr></tbody></table>	Particulars	Rs.	Particulars	Rs.	To Rent	75,000	By Gross profit	6,00,000	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	50,000	By Commission	1,25,000	To Fire insurance	50,000			To Bonus to proprietors	80,000			To Drawings	85,000			To Depreciation	70,000			To Net profit	4,20,000				11,00,000		11,00,000	K4	CO3
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4	19	Mr. Dhanush acquired a residential house property on 15.05.2015 for Rs. 4,50,000. He renovated it during 2018-19 at the cost of Rs. 3,00,000. He sold the residential house on 10.10.2023 for Rs. 32,50,000 for which he paid a commission of Rs. 30,000. He bought another residential house on 10.01.2024 for Rs. 20,00,000. Compile the capital gain for the previous year 2023-24. CII for 2015-16 – 254; 2018-19 – 280; 2023-24 – 348.	K4	CO4																																												
5	20	Appraise the powers and duties of Central Board of Direct Tax.	K4	CO5																																												

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