

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024  
(Fifth 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 Which of the following is a capital receipt?  
(i) commission received (ii) salary received  
(iii) profit from business (iv) sale proceeds of building
- 2 Interest on RPF balance is exempted upto  
(i) 9.75% (ii) 9.5% (iii) 10% (iv) 12%
- 3 Professional expenses are allowed on  
(i) Accrual basis (ii) payment basis  
(iii) Accrual or payment basis (iv) None of these
- 4 Income from sale of Agricultural land is  
(i) Taxable capital gain (ii) Exempted capital gain  
(iii) Taxable income (iv) none of these
- 5 Rate of MAT is  
(i) 18.5% (ii) 10% (iii) 25% (iv) 30%

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a) Identify the condition followed in residential status?  
OR  
b) Give a brief outline in Income Tax 1961.
- 7 a) Income from house property for Mr. Jayesh  
Municipal rental value 25,000  
Fair rental value 37,500  
Standard rent 40,000  
Actual rent 4,000 p.m  
Municipal paid tax 2,250  
Interest on loan taken from his daughter's marriage 12,000  
Unrealised rent recovered 2,500 which was allowed as a deduction in 2020-21  
OR  
b) Mr. Ankit Singh is an Indian citizen who lives in India since 1984. During the previous year 2023-24 he went to Arabia for 325 days. Identify his residential status.
- 8 a) Mr. Down a house at Vijaya Nagar and submits the following particulars.  

|                     |              |
|---------------------|--------------|
| Rent received       | Rs. 1,75,000 |
| Standard rent       | Rs. 1,60,000 |
| Municipal valuation | Rs. 1,70,000 |
| Fair rental value   | Rs. 1,72,000 |

Municipal taxes 12% on municipal rental value + 2% of municipal taxes as Sanitation Surcharge. Compute net annual value.  
OR  
b) Mr. B a married citizen of India left for Germany for the first time on 15-9-2020 on a business trip. He returned to India on 5-6-2021. During his absence from India he maintained a dwelling house for himself in Calcutta. What will be his residential status for the assessment year 2022-23.

Cont...

- 9 a) Compute annual rental value in the following case:  
 Municipal rental value Rs. 48,000 p.a.  
 Actual rent received Rs.50,000 p.a.  
 Lift & pump maintenance charges born by owner Rs. 6,000 p.a.  
 Salary of common gardener and watchman paid by tenants to the owner is Rs.500 p.m and actual expenses incurred by the owner during the year are Rs.4,200

OR

- b) Classify Capital Asset.
- 10 a) Mr. Vishnu, a Central Govt. employee working in India. Calculate the allowances  
 (i) Interim relief. Rs.1,500 p.m  
 (ii) Project allowance Rs.600 p.m  
 (iii) Traveling allowance. Rs.150 p.m  
 (iv) Children education allowance for 3 children Rs. 500 per child  
 (v) Hostel allowance Rs. 700 per child  
 Analyze the procedure followed in Filing a return.

OR

- b) What is short term capital gain?

**SECTION -C (30 Marks)**

Answer any Three questions

**ALL questions carry EQUAL Marks (3 x 10 = 30)**

- 11 Mr. Rohith earns the following income during the financial year 2023-24  
 a) Profits from a business Mumbai managed from London – 2,00,000  
 b) Pension for services rendered in India but received in London – 1,00,000  
 c) Income from property in Pakistan, received in India – 80,000  
 d) Profit from business in Bangladesh and deposited in bank there – 1,20,000  
 e) Income from profession in Kenya, which was set up in India, received there – 1,00,000  
 f) Profit on sale of machinery in India but received in France – 60,000  
 g) Interest in UK Govt Securities half of which received in India – 40,000  
 Determine his taxable income for the previous year 2023-24 **If he is**  
 (i) Ordinary Resident (b) Not Ordinary Resident (iii) Non-resident.

- 12 Ramgopalvarma owns three houses: one whose municipal valuation is Rs.50,000 is occupied by him for his own residence and the other two houses whose municipal valuation are Rs.60,000 and Rs.80,000 are let out at Rs.6,000, Rs.8,000pm. The expenses in respect of the three houses are given below. Calculate the income from house property for the previous year 2023-24

| Particulars                               | House 1 | House 2 | House 3 |
|-------------------------------------------|---------|---------|---------|
| Municipal Tax                             | 5,000   | 6,000   | 7,000   |
| Land Tax                                  | 3,000   | 4,000   | 6,000   |
| Interest on loan for reconstruction house | 6,000   | 8,000   | 10,000  |
| Fire insurance premium                    | 4,000   | 4,000   | 8,000   |
| Collection charges                        | -       | 4,000   | 2,000   |
| Interest on mortgage (personal)           | -       | 10,000  | 8,000   |

- 13 Compute the taxable capital gain assuming that he does not own any other house. Compute deemed capital gain if he is able to invest only Rs.5,00,000 out of amount deposited in capital gain deposit scheme.

|                                                                                                                   |              |
|-------------------------------------------------------------------------------------------------------------------|--------------|
| Sale price of jewellery in Oct.2021(CII 317)                                                                      | Rs.15,00,000 |
| Cost of acquisition in 2007-08 (CII 129)                                                                          | Rs.2,40,000  |
| Amount invested in construction of new house upto 31-7-2022                                                       | Rs.6,00,000  |
| Amount deposited in capital gain deposit scheme for completing the construction of house (deposited on 27-6-2022) | Rs.8,00,000  |

- 14 Explain exempted capital gain.

- 15 Explain Deduction U/S 80 C.

Z-Z-Z END