

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2022
(Third Semester)

Branch – COMMERCE WITH 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 Rate of income tax is determined under
 - (i) Notification of CBDT
 - (ii) The Finance Act
 - (iii) The income tax Act
 - (iv) An ordinance
- 2 Maximum amount of exemption allowed on Entertainment Allowance received by Government employee is
 - (i) Rs. 10,000
 - (ii) Rs. 1,50,000
 - (iii) Rs. 5,000
 - (iv) Rs. 1,00,000
- 3 Profits earned from illegal business are
 - (i) Income from other sources
 - (ii) Taxable
 - (iii) Tax free
 - (iv) Ignored by tax authorities
- 4 Which of the following is not a capital assets?
 - (i) Agricultural land
 - (ii) Jewellery
 - (iii) Stock-in-trade
 - (iv) Furniture
- 5 Loss incurred in speculation business can be carry forward for
 - (i) 4 years
 - (ii) Unlimited period
 - (iii) 5 years
 - (iv) 8 years

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Define the term Assessee.
OR
b Mr. X, after about 30 years stay in India, returns to America on January 31, 2019. He returns to India in 1st June 2021 to join an American company as its overseas branch manager. Determine his residential status in India for the Assessment year 2022-23.
- 7 a Mr. Raman who resided in Chennai gets Rs. 80,000 per annum as basic salary. He receives Rs. 15,000 per annum as house rent allowance. Rent paid by him is Rs. 12,000 per annum. Find out the amount of taxable house rent allowance for the Assessment year 2022 -23.
OR
b Compute net annual value in the following case:

Municipal value	48,000 p.a.
Fair rental value	50,000 p.a.
Municipal tax: 10%	
Standard rent	45,000 p.a.
Rent received	47,000 p.a.

50% of Municipal tax is paid by the tenant.
- 8 a Mr. Raman submits the following particulars of his business from which you calculate the income from business. Net profit as per profit and loss a/c (after charging the following) Rs. 65,000.

Cont

8 a Cont ...

- (i) Sales tax Rs. 2,000 and income tax Rs. 3,000.
- (ii) Bad debts provision Rs. 1,000.
- (iii) Commission to procure business order Rs. 4,000.
- (iv) Interest on capital Rs. 1,500.
- (v) Depreciation Rs. 2,000 (but as per income tax rules Rs. 1,800)

OR

b Explain Deemed Profits u/s 41.

9 a Mr. Y sold a house on 31.10.2021 for Rs. 25,60,000. He paid brokerage of Rs. 80,000. This house was acquired in 1995 – 96 for Rs. 4,00,000 and its FMV on 1.4.2001 was Rs. 6,00,000. Compute the amount of taxable capital gain.

OR

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

- (i) Income from agricultural in Burma Rs. 40,000.
- (ii) Income from letting a vacant land for godown in Agra Rs. 12,000.
- (iii) Management consultancy remuneration Rs. 50,000.
- (iv) Royalty received (allowable expenses Rs. 500) Rs. 5,000.

10 a Compute the total income of Mr. A from the following information:

- (i) Income from profession of Mr. A Rs. 3,90,000.
- (ii) Income of minor son from company deposit Rs. 15,000.
- (iii) Income of minor daughter from special talent Rs. 32,000.
- (iv) Interest from bank received by daughter's deposit Rs. 3,000.
- (v) Gift received from relatives Rs. 2,500.

OR

b Mr. Arun submits the following information for the previous year. How will you adjust the losses shown by him?

Income from salary	Rs. 50,000.
Loss from house property	Rs. (-) 7,500.
Business loss	Rs. (-) 15,000.
Bank interest	Rs. 30,000.

SECTION - C (30 Marks)

Answer ALL questions

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

11 a Compute taxable income when the residential status of Mr. Aravind is:

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

- (a) Income accrued in Canada but received in India Rs. 20,000.
- (b) Rs. 50,000 were earned in Africa and received there but brought to India.
- (c) Rs. 50,000 earned in India but received in Canada.
- (d) Rs. 10,000 earned and received in Sri Lanka from business controlled from India.
- (e) House property income (computed) from Sri Lanka Rs. 20,000.
- (f) Past untaxed foreign income, brought to India during the previous year Rs. 40,000.
- (g) Profit earned from business in Kanpur Rs. 10,000.

OR

b Explain any twelve exempted incomes u/s 10.

12 a Mr. Raman is an employee of a private company in Chennai. He supplies you the following particulars of his income:

- (i) Basic salary Rs. 25,000 p.m.
- (ii) D.A 50% of salary (enters into service benefits)
- (iii) Marriage allowance Rs. 1,000 p.m.
- (iv) Education allowance Rs. 100 p.m. per child for three children

Cont

12 a Cont ...

- (v) Bonus Rs. 30,000
 (vi) Entertainment allowance Rs. 14,400 p.a.
 (vii) Employers' and his contribution to RPF 16% of salary.
 Compute his taxable salary income for the Assessment year 2022-23.

OR

b Mr. X had let out his house. Compute the income from house property from the following:

- Fair rental value Rs. 46,000
 Actual rent received Rs. 5,000 p.m.
 Municipal rental value Rs. 50,000
 Standard rent Rs 48,000
 Municipal tax 10% of MRV
 Actual repair expenses Rs. 4,000
 Interest on loan Rs. 11,000.

13 a From the following profit & loss a/c of Mr. Ganesan, ascertain his income from business for the previous year 2021-22.

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Rent	5,000	By Gross profit	1,22,000
To Salary	15,000	By Bad debts recovered (not allowed earlier)	10,000
To Advertisement	19,000	By Rent	38,000
To Donations	2,000	By Commission	20,000
To General expenses	7,000		
To Wealth tax	3,000		
To Sales tax	10,000		
To Income tax	1,000		
To Depreciation	3,000		
To Net profit	1,25,000		
	1,90,000		1,90,000

Other information:

- (i) Salary includes proprietor salary Rs. 3,000.

OR

b From the following, calculate the depreciation admissible to an individual carrying on business for assessment year 2022-23.

	Rs
(i) Factory building: WDV (10%)	5,00,000
(ii) Plant & Machinery (15%)	8,00,000
Additions: 30.6.2021	1,00,000
: 31.12.2021	1,00,000
Deletion: 1.12.2021	6,00,000
(iii) Computer – Addition: 1.1.2022 (60%)	60,000
(iv) Furniture & fixtures – WDV(10%)	1,00,000

14 a From the following data, you are required to calculate taxable capital gain for the previous year 2021-22.

- (i) Plot purchased in 1995 for Rs. 66,000.
 (ii) Market value of plot on 1.4.2001 Rs. 1,50,000.
 (iii) Ground floor cost of construction in 2001 – 02 Rs. 3,00,000.
 (iv) First floor cost of construction in 2005-06 Rs. 5,32,000.
 (v) Sale consideration in 2021 -22 Rs. 60,00,000 on sale of the property.
 (vi) Investment in new property in June 2021 – 22 Rs. 20,00,000.
 (vii) CII: 2005-06 = 117; 2021 – 22 = 317.

OR

Cont

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COST AND MANAGEMENT ACCOUNTING – I

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 these is not an objective of Cost Accounting?
 - (i) Ascertainment of Cost
 - (ii) Determination of Selling Price
 - iii) Cost Control and Cost reduction
 - (iv) Assisting Shareholders in decision making

- 2 Economic order quantity is that quantity at which cost of holding and carrying inventory is:
 - (i) Maximum and equal
 - (ii) Minimum and equal
 - (iii) It can be maximum or minimum depending upon case to case.
 - (iv) Minimum and unequal

- 3 Time wages are paid on the basis of
 - (i) Standard time
 - (ii) Time saved
 - (iii) Output produced
 - (iv) Actual Time.

- 4 Administration overheads are recovered as a percentage of
 - (i) Works cost
 - (ii) Prime cost
 - (iii) Direct materials
 - (iv) Direct wages

- 5 Activity-based costing
 - (i) Uses a plant-wide overhead rate to assign overhead
 - (ii) Is not expensive to implement
 - (iii) Typically applies overhead costs using direct labor-hours
 - (iv) Uses multiple activity rates.

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Explain the objectives of cost accounting.
OR
- b Calculate Prime cost, Factory cost, Cost of production, Cost of sales and profit from the following details:

	Rs.
Direct materials	10,000
Direct labour	4,000
Direct expenses	500
Factory expenses	1,500
Administration expenses	1,000
Selling expenses	300
Sales	20,000

Cont...