

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom EXAMINATION MAY 2023
(Fourth Semester)

Branch – COMMERCE (COST AND MANAGEMENT ACCOUNTING)

DIRECT TAX – II

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Salary received by partner from firm is
(i) a taxable income from business (ii) an exempted income
(iii) an income from other sources (iv) none of these
- 2 The current tax rate for domestic companies with turnover more than 400 crores.
(i) 20% (ii) 10%
(iii) 25% (iv) 30%
- 3 TDS stands for -----.
(i) Tax Distribute at Source (ii) Tax Deducted at Source
(iii) Tax deducted at State (iv) None of these
- 4 Due date for filling return of income for any company furnishing report u/s 92EF is
(i) 31st July (ii) 30th September
(iii) 30th November (iv) 30th June
- 5 Self Assessment is done u/s ----- of Income Tax Act.
(i) 140A (ii) 144
(iii) 143 (iv) 145

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a. XYZ LLP has an income of Rs. 72,00,000 under the head 'profits and gains of business or profession'. One of its businesses is eligible for deduction @ 100% of profits under section 80- IB for the assessment year 2021-22. The profit from such business included in the business income is Rs. 58,00,000. Compute the tax payable by the LLP, assuming that it has no other income during the previous year 2021-22.
OR
b. Amar and Balu are partners of a firm which satisfies all the conditions of section 184 and 40(b). They share profits and losses in the ratio of 3:2. The P&L account of the firm for the year ending 31.03.2022 shows a net profit of Rs. 50,000 after debiting Rs. 14,000 for interest paid to Amar @ 14% p.a. and Rs. 10,000 for salary to Balu. Calculate book profits for the previous year 2021-22.
- 7 a. Compute the tax payable by a company for the AY 2022-23 if (a) Its total income of XYZ co. is Rs 2,50,000 and book profit (sec 115JB) is Rs 8,15,000 company turnover did not exceeds Rs 400 cr. In the Previous year
OR
b. Compute tax payable by the company for the Assessment year 2022-23. Its total income is Rs. 6,50,000 and book profit is Rs. 9,00,000. Assume normal tax rate applicable is 30%.
- 8 a. Who can be a member of Appellate Tribunal?
OR
b. Distinguish between TDS and TCS.

Cont...

- 9 a. State the significance of submitting return.
OR
b. Enumerate the due date for filling of return of income.
- 10 a. Write a note about PAN.
OR
b. Elucidate the consequence of best judgment assessment.

SECTION -C (30 Marks)

Answer ALL questions

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

- 11 a. J, K, and L are partners in a firm which satisfies all conditions of section 184 and 40(b). They share profits and losses in the ratio of 3:2:1. From the following Profit and loss account compute firm's total income and tax liability for the previous year 2021-22.

Particulars	Rs.	Particulars	Rs.
To Salaries	60,000	By Gross profit	4,00,000
To Electricity	20,000	By Int. on Govt. securities	1,00,000
To Reserve for Bad debts	30,000		
To Int. Capital – J	45,000		
K	30,000		
L	15,000		
To commission to J	50,000		
To General expenses	1,30,000		
To Net profit	1,20,000		
	5,00,000		5,00,000

Adjustments:

- (i) Interest on capital is charged @ 15.p.a.
(ii) General expenses include Rs. 30,000 is not deductible u/s 40(A)

OR

- b. M/s HSG & Sons (HUF), has given the following information. Compute the taxable income and tax liability of HUF, assuming Mr. H as its Karta.

	Rs.
Family business	2,50,000
Income from ancestral house (let out)	80,000
Interest on securities, bank fixed deposit	23,000
Interest on savings bank account	12,000
Interest on PPF a/c	10,000
Gifts from relatives of coparceners (not member of HUF)	72,000
Gifts from other persons	21,000

The HUF has invested Rs. 80,000 in its PPF account, paid Rs. 20,000 as LIC premium and Rs. 28,000 towards insurance premia on health of its members (all below 60 years). The HUF has also invested Rs. 1,20,000 in NHAI bond, and has paid Rs. 36,000 to Mr. H as remuneration for managing the family business.

- 12 a. Profit and loss account of X Ltd. for the year ending March 31, 2022 shows a net profit of Rs. 75,00,000 after debiting / crediting the following items:
1. Depreciation Rs. 24,00,000 (including Rs. 4,00,00 on revaluation).
 2. Interest to financial institution not paid before due date of filing return of income Rs. 6,00,000.
 3. Provision for doubtful debts Rs. 1,00,000.
 4. Provision for unascertained liabilities Rs. 2,00,000.
 5. Transfer to general reserve Rs. 5,00,000.
 6. Net agricultural income Rs. 16,00,000.
 7. Amount withdrawn from reserve created during 2017-18 Rs. 3,00,000 (book profit was increased by the amount transferred to such reserve in assessment year 2022-23)

Other information -

Brought forward loss and unabsorbed depreciation as per books are Rs. 12,00,000 and Rs. 10,00,000, respectively.

Compute minimum alternate tax under section 115JB for the assessment year 2022-23.

OR

- 12 b. X ltd is a closely held company engaged in manufacture of garments where value of plant and machinery owned by company is Rs. 55,00,000. The following information for the previous year 2021-22.

Particulars	Rs.
Domestic sales	22,23,900
Export sales	5,76,100
Amount withdraw from General reserve (Reserve created in 1998-99 by debiting P&L account)	2,00,000
Amount withdrawn from revaluation reserve	1,50,000
Total	31,50,000
Depreciation (Normal)	6,16,000
Depreciation (Due to revaluation)	2,70,000
Salary and wages	2,10,000
Income tax	3,60,000
Outstanding custom duty not paid yet	17,500
Proposed dividend	60,000
Consultation fees paid to tax consultant	21,000
Other exp	1,39,000
Net Profit	14,56,500

The assessee claims the following as deductions:

- (i) Deduction under section 80IB-30% of 14,56,500
- (ii) Depreciation under section 32 is Rs.5,36,000
- (iii) The Company wants to set off following losses

Particulars	For Tax Purpose	For Accounting Purpose
B/F loss of 2013-14	14,80,000	4,00,000
Unabsorbed depreciation	Nil	70,000

- 13 a. Describe the features of TDS.

OR

- b. Discuss the powers of Appellate Tribunal.

- 14 a. Examine procedure for E-filing of returns.

OR

- b. Analyse merits and demerits of e-filing.

- 15 a. Evaluate the various types of assessment.

OR

- b. Point out the powers of an Assessing Officer.

Z-Z-Z

END