

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION MAY 2023
(First Semester)

Branch – COMMERCE

DIRECT TAXES

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Number of tax slabs are _____.
(i) Two (ii) Three
(iii) Four (iv) Five
2. The profit of the partners is _____.
(i) Divided among the partners (ii) The firm will pay tax
(iii) It is subject to MMR (iv) Taxed at usual rates of tax
3. On total income of the firm the tax rate is _____.
(i) 40% (ii) 30%
(iii) 25% (iv) 15%
4. Assessment under section 144 for assessment year 2020-21 shall be made within a period of months from the end of the relevant assessment year.
(i) 24 months (ii) 36 months
(iii) 12 months (iv) 18 months
5. A super senior citizen whose age is 80 years or more at any time during the previous year can file return in paper form if he is filing _____.
(i) ITR - 1 (ii) ITR - 2
(iii) ITR - 4 (iv) ITR 1 or ITR 4

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a. Mr. Arun informs you that his total income computed under the income tax Act is Rs. 51,00,000. Calculate his tax liability for the Academic Year : 2022 – 2023.
OR
- b. Total income of Mr. Madan is Rs. 5,16,000. He is a senior citizen. Compute the tax liability.
- 7 a. The P & L A/C of a firm shows a profit of Rs. 20,000 after debit the following items:
Income tax paid Rs.20,000
Travelling expenses (Business) Rs. 50,000
Penalty and fees Rs.10,000
Sales tax Rs. 50,000
Remuneration to partners Rs. 80,000
Compute the taxable profit.
OR
- b. A, B & C are members of an association of persons. They share profits or losses in the ratio of 1:2:5. During the PY income of AOP is Rs. 1,80,000 and the income of A, B and C is Rs. 20,000, Rs. 40,000 and Rs. 50,000 respectively. Compute tax liability of AOP.

Cont...

- 8 a. Swamy Ltd., an Indian company acquires a technical know-how for a lump sum consideration of Rs. 4,00,000 on 01.04.2021. The company also acquired copy rights for Rs. 2,80,000 on 01.04.1997. Determine the amount of deduction under Section 35AB.

OR

- b. Discuss the conditions are satisfied for assessment of a firm in partnership.

- 9 a. Explain the faceless inquiry.

OR

- b. Discuss the types of best judgment assessment.

- 10 a. Briefly explain the defective return.

OR

- b. Difference between TAN and PAN for filing of income tax.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

11. Compute tax liability to Mr. X for the details given below :

Income from salary Rs. 1,50,000

Income from H/P Letout (not computed) Rs. 15,000

Short term capital gain Rs. 5,000

Long term capital gain Rs. 10,000

Income from other sources Rs. 60,000

Total deductions under chapter VI A except 80 G Rs. 20,000

Donation to a local authority for family planning Rs. 27,000.

12. Anita, Beena and Chitra are partners in a firm assessed as AOP sharing profits and losses equally.

The Capitals were:

Anita Rs. 20,000 Beena Rs. 30,000 Chitra Rs. 10,000

The profit and loss account of the firm for the previous year ended 31st March, 2022 showed a net profit of Rs. 10,000 after charging the following items:

- Salary to Anita Rs. 300 per month and to Chitra Rs. 500 per month.
- Interest on capital at 6% per annum.
- Rent to Anita Rs. 150 per month in whose building business was carried on.
- Interest on loan taken from Beena Rs. 500.

Compute the total income of the firm and allocate it amongst the partners.

13. The business income of a firm before charging the following is Rs. 2,20,000.

a) Remuneration to working partners as per deep Rs. 1,20,000.

b) Brought forward business loss Rs. 1,00,000.

c) Unabsorbed depreciation Rs. 50,000

d) Unabsorbed capital expenditure on scientific research Rs.20,000.

Compute the total income of a firm.

14. Deliberate the purpose of faceless assessment proceedings.

15. Enumerate the process of e-filing.