

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BVoc DEGREE EXAMINATION MAY 2024
(Fourth Semester)
Branch – BANKING, STOCK & INSURANCE
INCOME TAX

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. Exempted incomes are defined under section
 - (i) 15 of income tax act
 - (ii) 18 of income tax act
 - (iii) 10 of income tax act
 - (iv) 20 of income tax act
2. Children education allowance is exempted upto:
 - (i) Rs.200 p.m. per child
 - (ii) Rs.300 p.m. per child
 - (iii) Rs.100 p.m. per child
 - (iv) Rs.400 p.m. per child
3. Method of depreciation is allowed is:
 - (i) WDV method
 - (ii) SLM method
 - (iii) Replacement method
 - (iv) Market value method
4. Loss from long term capital asset can be set-off against
 - (i) STCG
 - (ii) LTCG
 - (iii) Business income
 - (iv) Salary income
5. Determining the tax liability is called
 - (i) Assessment
 - (ii) Scrutiny
 - (iii) Enquiry
 - (iv) Evaluation

SECTION - B (15 Marks)

Answer ALL Questions

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

6. a) How do you differentiate capital expenses from revenue expenses?
OR
b) Mr.X an Indian Citizen leaves India for the first time on 31.05.18 and comes back on 15.05.21. He again leaves India on 10.06.22 to come back on 14.01.23. He is living in India since then. Analyze his residential status for PY 2022-23.
7. a) Calculate taxable HRA from the following:
 - i) Salary Rs. 12,000 p.m.
 - ii) D.A @ 20% of salary
 - iii) HRA Rs.800p.m.
 - iv) Rent paid for house Rs. 1,000 p.m. (House in Trichy)OR
b) From the particulars below calculate Annual value.

Municipal rental value	Rs. 72,000
Fair rental value	Rs. 90,000
Real rent	Rs. 80,000
Standard rent	Rs. 84,000
8. a) Calculate the value for calculating depreciation from the following information for the assessment year 2023-24.
 - i) Written down value for the furniture on 1-4-22 is Rs.5,00,000
 - ii) Additions made on 1-8-22 is Rs 50,000
 - iii) Sale value of furniture on 1-10-22 is Rs.1,00,000.OR
b) Mr.R purchased a house on 1.11.2004 for Rs.2,00,000 and it was improved in 2012-13 at a cost of Rs.1,00,000. What will be indexed cost during 2022-23 if CII for 2004-05 is 113; for 2012-13 is 200 and for 2022-23 is 331.
9. a) Mr.Z provides the following transactions, calculate taxable income:
 - i) Long term capital loss Rs.6,00,000
 - ii) Short term capital gain Rs.2,20,000
 - iii) Loss from business Rs.1,80,000.

Cont...

OR

9. b) Mr.B whose gross total income is Rs.40,00,000 makes the following donations during the previous year 2022-23. Calculate total income of Mr.B after allowing deductions U/S 80-G.
- (i) PM's National Relief Fund Rs.1,00,000
(ii) National Defence Fund Rs.2,00,000
(iii) Chief Minister Relief Fund Rs.20,000.
10. a) Briefly explain the TDS under the income tax act 1961.

OR

- b) Bring out the centralized processing centre under income tax.

SECTION -C (30 Marks)

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

11. Mr.R, scientist from USA was appointed as senior scientists in India on 1st April 2018. On 31st January 2019 he went to Poland on deputation but left his family (wife and children) in India. On 1st May 2021 he came to India and took his family on 31st October 2021. He returned to India and joined his original post on 5th Feb 2023. Trace out the residential status of Mr.R for the assessment years 2019-20 to 2023-24.
12. Income details of Mr.Adani for the financial year 2022-23 are as follows. Trace out the salary income for the AY 2022-23.
- (i) Salary Rs.5,000 p.m.
(ii) D.A. Rs.2,000 p.m.
(iii) Entertainment allowance Rs.300 p.m.
(iv) Employers contribution to RPF Rs.7,900 p.m.
(v) Interest credited to RPF @ 9.5% Rs.1,000
(vi) City compensatory allowance Rs.150 p.m.
(vii) Medical allowance Rs.100 p.m.
(viii) HRA Rs.600 p.m. (Rent paid Rs.700 p.m.)

13. From the following Income and Expenditure Account of Mr.Z, a Lawyer, Trace out his professional Income for the current Assessment Year:

Particulars	Rs.	Particulars	Rs.
To Rent of chamber	4,000	By Legal fees	40,000
To salaries	10,000	By Gifts from clients	20,000
To Travelling expenses	5,000	By rent from house property let	5,000
To Stamp paper and court fee stamps	3,000		
To Household expenses	2,000		
To Household property tax	500		
To Donations	1,000		
To Surplus	39,500		
	<u>65,000</u>		<u>65,000</u>

Other information:

- (i) Gifts from clients include gift from his father Rs.4,000
(ii) Stock of stamp paper at the end of the year Rs.200
(iii) Donations are made to approved institutions.
14. The following Income are received by Mr.S during the previous year 2022-23. (Assessment Year 2023-24). Trace out his income from other sources.

(i) Director's fees	Rs. 6,000
(ii) Income from Agricultural land in Burma	40,000
(iii) Interest on savings from Bank	1,500
(iv) Interest on Fixed deposit	1,800
(v) Winning from Lottery (Net)	33,000
(vi) Royalty on Books	20,000
(Expenses for Writing the book Rs.4,000)	
(vii) S had a Land at Chennai, which was acquired by Government during 2015-16, along with compensation, Rs.1,20,000 was paid as interest for late payment during 2022-23.	

15. Identify the procedure for self assessment.