

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2022  
Third Semester

Branch – COMMERCE (COST MANAGMENET ACCOUNTING)

DIRECT TAX - I

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Income tax Act was passed in year  
(i) 1965 (ii) 1961  
(iii) 1966 (iv) 1969
- 2 Rent free accommodation given to an employee by the employer is a \_\_\_\_\_  
(i) Perquisites (ii) Allowances  
(iii) Profit in lieu of salary (iv) Compensation
- 3 Income chargeable under the head "Profits and gains of business or profession" is covered under \_\_\_\_\_  
(i) Section 25 (ii) Section 28  
(iii) Section 27 (iv) Section 22
- 4 Section 45 of Income Tax Act, 1961 is related to \_\_\_\_\_  
(i) Capital market (ii) Capital value  
(iii) Capital gain (iv) Capital margin
- 5 Deduction on interest on loan taken for higher studies fall under section \_\_\_\_\_  
(i) 80 E (ii) 80 F  
(iii) 80 G (iv) 80 D

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Mr. John a foreign citizen leaves India for the first time on 20<sup>th</sup> December 2021. During the calendar year 2021 he came to India on 1<sup>st</sup> October for period of 30 days. In the calendar year 2022 he was in Africa and come to India only on 18<sup>th</sup> January 2022. Identify his residential status for the previous year 2021 -2022.  
OR  
b How to treat capital and revenue losses.
- 7 a Mr. Alex resides in Chennai and gets Rs.10,000 per month as basic salary, Rs.8,000 per month as DA ( entering service benefits), Rs.12,000 per month as HRA. He pays Rs.10,000 per month as rent. Calculate taxable HRA.  
OR  
b Mr. Kamal retires from central government services on 30<sup>th</sup> October 2021. He gets pension for Rs.750 p.m up to 31<sup>st</sup> December 2019. On 1<sup>st</sup> January 2022 he gets 1/3<sup>rd</sup> of his pension commuted for Rs.66,000. Calculate taxable pension, if salary falls due on last days of each month
- 8 a Explain the procedure for computation of Business Income.  
OR

Cont...

- b From the following P&L A/c. calculate income from business

Particulars	Rs.	Particulars	Rs.
To rent	40,000	By gross profit	2,50,000
To salary to employees	25,000	By house property income	1,50,000
To depreciation	10,000	By income from other sources	2,00,000
To donation	8,000		
To net profit	5,17,000		
	6,00,000		6,00,000

- Depreciation to be allowed as per income tax provisions Rs.8,000.
- Business income of Rs.12,000 is not shown in the P&L A/c.
- Rs.8,000 of the rent is of personal nature.

- 9 a An agricultural land situated in Trichirappalli purchased in 2002 -2003 for Rs.26,000 was sold on 31<sup>st</sup> August 2021 of the previous year for Rs.1,75,000. Another piece of land was purchased on 15<sup>th</sup> September 2021 Rs.64,500. Calculate the taxable gain [CII : 2002- 2003 : 105; 2021 – 2022 : 317]

OR

- b From the following , calculate GAV

Municipal Rental Value	Rs.4,00,000
Fair rental Value	Rs.3,75,000
Standard Rent	Rs.3,75,000

- 10 a Explain the Incomes which are taxable under the head 'other sources'.

OR

- b Mr. Arul furnishes the following particulars of income for the previous year. Calculate income from other sources. He received Rs.2,50,000 as stake money. He has spent Rs.50,000 for maintenance of horse races.

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a Explain any twelve Income exempted U/s 10.

OR

- b Following are the income of Mr.Siva for the previous year. Calculate his taxable income on the assumption that he is (a) Ordinary resident (b) Not Ordinary resident and (c) Non Resident

- Profits from business carried from Hyderabad Rs.50,000.
- Income accrued in India but received in Hongkong Rs.75,000
- Pat untaxed income brought into India during this previous year Rs.42,000.
- Income from house property situated in Srilanka rs.48,000.
- Income from agriculture in USA Rs.1,00,000.

- 12 a Enumerate the provisions relating to deduction U/S 80 C?

OR

Cont...