

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom (CMA) DEGREE EXAMINATION MAY 2022  
(Fourth Semester)

Branch – COMMERCE (COST AND MANAGEMENT ACCOUNTING)

DIRECT TAX – II

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

- 1 The firm of Hindu undivided family is managed by whom?  
(i)Owner (ii)Karta  
(iii)Manager (iv)Partner
- 2 A partnership is registered with\_\_\_\_\_.  
(i) Registrar companies (ii)Registrar co operatives  
(iii) Registrar legal (iv) None of the above
- 3 Income tax is calculated on\_\_\_\_\_.  
(i)Sales (ii)Income  
(iii)Value of fixed assets (iv)Value of current assets.
- 4 Income tax, Act was passed in the year\_\_\_\_\_.  
(i)1980 (ii)1956  
(iii)1914 (iv)1961
- 5 Rent paid to a partner by firm is\_\_\_\_\_.  
(i)a non business expenses (ii)an allowable expenses  
(iii)a disallowable expenses (iv)an exempted
- 6 Interest on capital received by a partners from firm is\_\_\_\_\_.  
(i)a taxable income from business (ii)an exempted income  
(iii)an income from other sources (iv)an allowed income
- 7 A company other than a company claiming exemption u/s 1\_\_\_\_\_.  
(i)ITR – 1 (ii) ITR – 2  
(iii) ITR – 3 (iv) ITR – 6
- 8 Filing of return by salaried employees through their employees is done by using the firm\_\_\_\_\_.  
(i)No. 16AA (ii)No.10  
(iii)No.12A (iv) 25C
- 9 The highest authority in the administrative set up of the income tax department is\_\_\_\_\_.  
(i)Central Govt. (ii)RBI  
(iii)CBDT (iv)IRDA
- 10 Number of members including chairman present in the CBDT is\_\_\_\_\_.  
(i) 5 (ii) 4  
(iii)6 (iv) 10

Cont...

**SECTION - B (35 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

- 11 (a) During the previous year 2020 -21 the affairs of an HUF (Mr. Sugumaran is the Karta of HUF) are managed partly from India and partly from Nigeria. Mr.Sugumaran will be in India for a period of 182 days in every financial year. Identify the residential status of the HUF.

(Or)

- (b) Calculate book profit if a firm has a net profit of Rs.25,000 and had paid interest Rs.70,000 @ 14% and remuneration to working partner Rs.90,000.
- 12 (a) Compute the total income of Mr.Murugesh for the AY 2021 -22 from the following.

	Rs.
Business income	83,000
Interest on debentures	49,000
Long term capital gain on transfer of gold	4,10,000

(Or)

- (b) Following details are available in respect of income of Mr.Y for the year 2020-21.

	Rs.
a) Long term capital gain	2,10,000
b) Consolidated salary	1,00,000
c) Rent received from a let out property	1,00,000
d) dividend from an Indian company	50,000

Computer the total income of Mr.Y for the AY 2021 -22.

- 13 (a) Compute the book profit of a firm (Partner are chartered accountant (FAS) From the details given below:  
Profit earned by the firm in the year 2020 -21 (after charging the following amounts) Rs.5,00,000.
- Interest on capital to partners @ 18% Rs.54,000
  - Remuneration to working partners as per partnership deed Rs.1,00,000.
  - Donation to an approved educational institution Rs.1,00,000.
  - Business expenses Rs.5,000
  - Income tax Rs.1,000

(Or)

- (b) A,B and C are partners of a firm with equal shares. The P& L a/c for the year ended 31<sup>st</sup> march 2021 shows a profit of Rs.1,40,000 after debiting Rs.3,500 for interest paid to A at 20%, Rs.30,000 for salary paid to B and Rs.20,000 for rent of the business premises paid to C. Computer the book profit of the firm. The firm fulfills the conditions of Section 184.
- 14 (a) Explain the assessee excepted from filing returns.
- (Or)
- (b) Who should sign and verify the return of income?
- 15 (a) What are the importance powers of Director?
- (Or)
- (b) Explain the return income.

**SECTION - C (30 Marks)**Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Calculate the liability from the following information given by Mr. Amit Saharma. He was receiving a salary of Rs. 8,000 per month, apart from conveyance allowance of Rs. 300 per month (Rs. 150 p.m. actually spend). He had an house whose GAV is Rs. 1,50,000, municipal Tax Rs. 3,000 out of which Rs. 1,500 is paid by the tenant. His income from other sources comes to Rs. 45,000. He has contributed Rs. 40,000 to PPF. He paid Rs. 5,000 towards medical insurance premium.

- 17 Following is the P & L A/c of Mr. A, a dealer in shares and securities for the year ended 31<sup>st</sup> March 2021

	Rs.		Rs.
To Trading exp	1,87,80,000	By Sales	2,17,62,000
To Adm. Exp	3,15,000	By Interest on FD with Bank	49,500
To financial Exp.	1,44,795	By Dividend from Indian co.	1,93,080
To Securities transaction tax	16,500	By Interest on IT refund (AY 2018-19)	690
To Net Profit before dep.	27,35,925		
	2,20,05,270		2,20,05,270

Compute the total income of the assessee.

- 18 Profit & Loss A/c of X Co. [a firm of characted accounts which satisfies all conditions of section 184 and b0(b)] for the year ending 31<sup>st</sup> march 2021 is as follows

	Rs.		Rs.
To Expenses	1,44,000	By Receipts from clients for tax advice	1,80,000
To Depreciation	1,16,000	By Audit fees	1,36,000
To Remuneration to partners	1,37,500		
To Interest on capital to partners	27,500		
	4,25,000		4,25,000

Other Information

- Out of expenses of Rs. 44,000, Rs. 28,625 is not deductible u/s 36 and 37.
  - Depreciation as per section 32 is Rs. 1,61,550.
  - Interest on capital to partners, not deductible u/s 40 (b) is Rs. 8,950.
- Compute the net income and tax liability of the firm for the AY 2021-22.

- 19 Elaborate the types of assessment.
- 20 Brief explain the powers and functions of CBDT.

Z-Z-Z

END