

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION DECEMBER 2019
(Fifth Semester)

Branch - **COMMERCE(BUSINESS ANALYTICS)**

INCOME TAX

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define Assessee.
- 2 Who is a Non Resident?
- 3 What is an allowance?
- 4 Give any two exempted incomes from House property.
- 5 Define Business.
- 6 Cost of acquisition of a property in 2002-03 is Rs. 1,20,000. Find out the indexed cost if sold in 2018-19. (C.I.I for 2002-03 is 105 and for 2018-19 is 280)
- 7 Specify any two conditions to calculate amount of deductions u/s80G.
- 8 Give any four income chargeable to income tax under Income from other sources.
- 9 What is set off of losses?
- 10 Write a note on tax deduction at source.

SECTION - B (25 Marks!)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Explain the features of Income.

OR

- b Mr. Jagadish, scientist from USA was appointed as senior scientist in India for the first time on 1.11.2013. On 31st January 2016 he went to Pakistan on deputation but left his family (wife and children) in India. On 1st May 2017 he came to India and took his family on 31st October 2017. He returned to India and joined his original post on 5th February 2019. Determine the residential status of Mr. Jagadish for the assessment years 2016-17 to 2019-20.

- 12 a Calculate the taxable amount of annual accretion to R.P.F. if following information is provided by assessee.

- i. Pay @ Rs.40,000 p.m
- ii. Commission received by him on the basis of turnover achieved by him Rs. 1,36,000.
- iii. Employer contribution to R.P.F @ 13% of salary.
- iv. Interest credited during the year to R.P.F balance @ 12% is Rs.64,000.

OR

- b Mr. Vimal built a residential house at Hyderabad and for the completion of the house he took a loan of Rs.20 lacs from a bank as under:

- i. On 1.5.2012 Rs.8,00,000 @10%
- ii. On 1.11.2013 Rs.8,00,000 @9%
- iii. On 1.5.2015 Rs.4,00,000 @8%

House was completed in Oct 2015 and since then it is occupied for the residential purposes of his family. He repaid Rs.4,00,000 to the bank on 1st December 2018 and bank adjusted this against the loan of 2022. Determine the amount of deduction admissible u/s24.

- 13 a Give any five incomes which are chargeable to income-tax under the head 'Profits and Gains of Business or Profession'.

OR

- b Mr.Ghosh sold a house on 1.9.2018 for Rs. 15,00,000. This house was inherited by him during 2001-02 from his father who has constructed it in 1991-92 for Rs.50,000. Mr.Ghosh spent Rs.50,000 on renovation of the house in 2006-07. Fair market value of the house as on 1.4.2001 was Rs.4,50,000. this house was under negotiations for sale in May 2010 and he received Rs.20,000 as advance money. The contract could not materialize and the advance money was forfeited. Compute the amount of capital gain assuming that he does not qualify for any exemption. (C.I.I for 2001-02 - 100; 2006-07 - 122; 2010-11 - 167;2018-19 - 280)

- 14 a Harikrishnan, a resident individual, submits the following particulars of income for the previous year ending March 31, 2019. Dividend from REC International Ltd Rs.4,80. Dividend declared on 16.5.2018 by Sundaram Finance Ltd. Rs.2,700, Interest paid on capital borrowed for the purpose of investment in shares of Sundaram Finance Rs.4,200. Collection charges in respect of dividend Rs.50. Winning form lottery: net amount Rs. 70,000, tax deducted at source Rs. 30,000, Winnings from card games Rs.23,500. Interest on securities issued by the government of Singapore Rs.20,570. Determine the income chargeable under the head "Income from other sources" for the assessment year 2019-20.

OR

- b Mr.X is;& government employee and he, his 65 years old father (who is not dependent on him) and his son are suffering from notified illness. He has

	Amt. (Rs.)
On his own treatment	50,000
Amount reimbursed by employer	20,000
On treatment of his son	40,000
Insurance claim received	18,000
On treatment of his father	60,000
Insurance claim received	16,000

Calculate the amount of deduction u/s80DDB. Also calculate the amount of this deduction in case his father is dependent upon him.

- 15 a Write a note on Set-off of losses from one source against income from another source within the same head of income and give its exceptions.

OR

- b From the following particulars of income of assesses A,B and C, how the capital losses shall be set -off and carried forward for the previous year ending on 31.3.2019?

Particulars	Amt (Rs.)
A	
Business income	15,000
Short-term capital loss	1,200
Long term capital gain (Plot)	7,200
Long term capital gain on sale of jewellery	20,000
B	
Business Income	30,000
Short-term capital loss	40,000
C	
Business Income	60,000
Short-term capital gain	20,000
Long term capital gain (land)	17,000
Carry forward	cn AAA

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

- 16 Shankar a foreign national furnished the following particulars of his income relevant for the previous year 2018-19.
- Profit on sale of plant at London (one-half received in India)Rs. 1,46,000
 - Profit on sale of plant at Delhi (one-half received in London) R
 - Salary from a Indian company received in London (one half is paid for rendering services in India) Rs.60,000
 - Interest on U.K/development Bonds (entire amount is received in London Rs.40,000
 - Income from property in London received there Rs.30,000
 - Profit from a business in Delhi managed from India Rs.49,000
 - Income from agriculture in London received there, half of which is used for meeting hostel expenses of Shankar son in England and remaining amount is later on remitted to India. Rs.25,000
 - Dividend (Gross) received in London on May 6, 208 from a company registered in India but mainly operating in U.K. Rs. 17,000.
 - Rental income from a property in Nepal deposited by the tenant in a foreign branch of an Indian bank operating there Rs. 12,000.
 - Gift from a relative in foreign currency (one-third of which is received ■*in India an remaining amount is used for meeting education expenses of Shankar son in USA) Rs.3,70,000.

Determine gross total income of Shankar for the assessment year 2019-20 if he is (a) non-resident (b) resident but not ordinarily resident and (c) resident and ordinarily resident.

- 17 From the following particulars, find out the taxable salary of Mrs. Babita working at Coimbatore (population 11 lacs)
- Salary Rs. 12,000 p.m
 - D.A. @ 100% salary
 - Employers contribution to Employee recognized PF - 14% of basic salary.
 - Rent-free accommodation (unfurnished) - fair rental value is Rs.80,000 p.m Expenses on maintenance of garden met by employer Rs.3,000
 - Interest on PF balance @ 13% p.a. Rs.3,900.
 - A car (1.4 It capacity) is provided by employer. All expenses are borne by employer. It is used both for performance of duties and private purposes. Car used by employee for only 11 months during the year.
 - She paid professional tax of Rs. 1,200
 - She received Rs.500 p.m as fixed medical allowance.

Following is the profit & Loss account of Ws.Raju & Company.

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
General Expenses	1,07,000	Gross Profit	5,40,000
Fire Insurance Premium	2,000	Bad Debts, recovered but disallowed earlier	4,000
Bad Debts	1,000	Interest from govt. securities	4,000
Salaries	1,65,000	Rent received from employees	12,000
Advertisement (in cash)	22,250	Interest from debtors for delayed payment	6,000
Proprietors salary	1,12,500		
Interest on Capital	2,000		
Income Tax	1,000		
Depreciation	2,000		
GST (due)	5,000		
Advance income-tax paid	1,000		

18 Cont...

Donations	500		
Motor Car expenses	750		
Municipal taxes of quarters let to employees	5,000		
Net Profit	1,39,000		
	5,66,000		5,66,000

General expenses include Rs.4,000 paid as compensation to an old employee whose services were terminated in the interest of the business and Rs.2,200 by way of help to a poor student. Depreciation calculated according to the rates comes to Rs. 2,900. GST was paid on 1.5.2019. Date of filing of return is 31.7.2019. 50% of motor expenses are for proprietors personal use. Compute business income.

19 Enumerate the deduction in respect of certain payments (any ten).

20 The following are the particulars of income of Mr.Behl for the assessment year 2019-20:

Particulars	Amt.(Rs.)
Income from House Property (computed)	61,200
Business Income	1,80,000
Dividends (gross) from co-operative society	15,500
Long term capital gain:	
From Land	60,000
From Jewellery	35,000
He paid Rs.28,000 as Life Insurance premium on his own life on a policy of Rs.2,00,000 (policy issued on May 1, 2013). He also paid Rs.6,000 on a life policy of Rs.50,000 which he acquired in 2010.	
He gave donation to a charitable institution approved under sec80G	30,000
During the year he deposited Rs. 18,000 in an equity linked saving scheme (Dhan80) notified u/s80c	
He deposited Rs. 12,500 in National Saving Scheme 1992	
Interest accrued on N.S.C VIII issue purchased in November 2017 for Rs.30,000 is Rs.2,260	
Interest accrued on a fixed deposit in a bank Rs.6,000	

Compute his total income assuming that he is a senior citizen.

Z-Z-Z

END