



K22U 2243

Reg. No. :

Name :



V Semester B.Com. Degree (CBCSS – OBE-Regular/Supplementary/
Improvement) Examination, November 2022
(2019 Admission Onwards)
Core Course
5B08 COM : INCOME TAX – LAW AND PRACTICE

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. Define Assessment Year.
2. What is Direct Tax ?
3. What is casual income ?
4. What do you mean by set off ?
5. What is capital gain ?
6. What is TDS ?
7. Explain the deduction in respect of family pension under the head income from other sources.
8. What is PPF ?

(6×1=6)

PART – B

Answer **any six** questions from the following. **Each** question carries **3** marks.

9. Explain the term capital asset as per the Income Tax Act.
10. What are the conditions to be satisfied for an income to be treated as agricultural income ?

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11. State the exempted incomes under the head Income from House Property.
12. Give six examples for incomes 'Deemed to accrue or arise' in India.
13. Calculate income from other sources for the Assessment Year 2022 – 23 from the information given below :
 - a) Winnings from Lottery Rs. 1,00,000
 - b) Income from agriculture in England Rs. 78,000
 - c) Income from subletting of house taken on Rent Rs. 5,000; Rent paid Rs. 3,000
 - d) Family Pension received Rs. 36,000
 - e) Dividend from a domestic company Rs. 12,000.
14. From the following information, compute the annual value of the house :

	Rs.
Municipal Value	4,00,000
Fair Rent	3,60,000
Standard Rent	4,50,000
Actual Rent	50,000 p.m.

The building remained vacant for two months during the previous year. Unrealised rent Rs. 50,000. Conditions of Rule 4 are satisfied. Municipal taxes paid by the owner Rs. 25,000 and by the tenant Rs. 25,000.

15. Mr. Mohan resides in Kanpur. He gets a basic salary of Rs.2,00,000 and Dearness pay of Rs. 2,00,000 and HRA Rs. 1,50,000 per annum. He pays rent of Rs. 1,80,000 per annum. Compute the amount of HRA chargeable to tax for the Assessment Year 2022-23.
16. Shri. Ramesh has the following incomes for the Financial Year 2021-22. Compute his gross total income for the Assessment Year 2022-23, if he is,
 - i) Ordinarily resident in India ii) Non-resident.

	Rs.	
Income from house property in London	40,000	
Income from salary received in India for services rendered in London (Computed)	28,000	
Profit from business in London controlled from India	1,20,000	
Profit from Kanpur business	1,10,000	
Agricultural income in India	10,000	(6×3=18)

PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. What is income ? What are the features of an income as per the Income Tax Act ?

18. Mr. Nair is working in Edward Jute Mills Kolkata. His basic pay @ 70,000 per month, dearness allowance @ Rs. 5,000 per month, entertainment allowance @ Rs. 1,500 per month and education allowance Rs. 350 per month for a child. He has been provided with a rent free house by the Mills, the fair value of which is Rs. 2,00,000 per annum. He has also been provided by the mill with the facility of free use of furniture costing Rs. 40,000 and a refrigerator costing Rs. 8,000. The mill has provided him two small cars, the expenses relating to the cars are borne by the mill. The cars are used partly for private purposes also. The salary of the drivers is paid by mill. Other informations relating to cars are :

Cost of each car – Rs. 3,00,000

Salary to each driver – Rs. 5,000 per month

Expenses – Car I Rs. 70,000 and Car II Rs. 50,000

Rs. 15,000 incurred by Mr. Nair for medical expenses of family members for treatment in a private hospital were reimbursed by the mill. The company has provided the facility of free lunch and free refreshment in office the cost of which is Rs. 60 and Rs. 20 per day respectively for 250 days. He as well as the company contributes 14 percentage of full basic pay and half of the dearness allowance towards recognised provident fund. Compute Mr. Nair's taxable salary for the Assessment Year 2022-23.

19. Following is the Profit and Loss Account of Chandran for the year ending 31/03/2022.

To salaries	3,30,000	By gross profit	7,50,000
To office expenses	36,000	By bad debts recovered	20,000
To depreciation	28,000	By dividends	12,000
To GST	18,000	By rent from house property	18,000
To legal expenses	16,000		
To income tax	14,000		
To expenses on acquisition of patents	24,000		



To donation in cash	4,000	
To repairs	12,000	
To provision for bad debts	6,000	
To general expenses	24,000	
To net profit	2,88,000	
	8,00,000	8,00,000

Additional information :

- Salaries include Rs. 12,000 paid to the workers employed at home.
- Depreciation includes Rs. 6,000 being unabsorbed depreciation of earlier years.
- Legal expenses include Rs. 2,000 paid to the lawyer in connection with personal case.
- General expenses include Rs. 8,000 as contribution to Staff Welfare Fund.
- Out of bad debts recovered only Rs. 8,000 were allowed as deduction earlier.

Compute income from business for the Assessment Year 2022-23. **(2×8=16)**
