



K23U 0932

Reg. No. :

Name :

IV Semester B.Com. Degree (CBCSS-Supplementary)
Examination, April 2023
(2017 and 2018 Admissions)
Core Course

4B07 COM : INCOME TAX LAW AND PRACTICE – I

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. Sum of various heads of income is called _____
2. TDS stands for _____
3. Interest credited in RPF Account is exempt upto _____
4. Income from subletting of house property is taxable under the head _____

(4× $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** carries **one** mark.

5. What do you mean by direct tax ?
6. Define annual value.
7. What do you mean by tax free commercial securities ?
8. What is block of assets ?
9. Write the first basic condition for the determination of residential status of individual.
10. How to determine capital gain in case of depreciable assets ?

(4×1=4)

P.T.O.



PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** carries **three** marks.

11. List out any six exempted income.
12. Differentiate between STCG and LTCG.
13. Explain the tax treatments of gift.
14. Mr. K purchased a rented residential house in 1998 for Rs. 2,00,000 which he sold in October, 2021 for Rs. 39,00,000. Fair market value of the house as on 01/04/2001 was Rs. 3,00,000. He purchased a new house on 31/12/2021 for Rs. 24,00,000. Compute his taxable capital gains. (CII 2021 – 22 – 317, 2001 – 02 – 100).

15. Compute taxable income from house property from the following particulars :

Fair Market Rent	:	80,000
Actual Rent	:	72,000
Municipal Valuation	:	50,000
Standard Rent	:	60,000
Municipal taxes	:	20%
Interest paid	:	18000

16. Mr. Prakash retires in September 2021 after having put in 42 years of service in a company. His average salary for 10 months proceeding September 2021 is Rs. 50,000/month. He receives a gratuity of Rs. 12,00,000. Compute the taxable gratuity.
17. Mr. Heynes, a West Indian, came to India for the first time on 10/01/2018 and left for Australia on 15/09/2018. He again came to India on 01/05/2021 to leave for South Africa on 15/07/2021. Determine his residential status for the PY 2021 – 22.



18. From the following details calculate taxable HRA if any of Mr. Thanu who is working and living at Coimbatore.

Basic Pay p.a.	-	78,000	
DA (forming part of salary)	-	7,800	
HRA p.a.	-	11,700	
Rent paid p.a.	-	13,200	(6×3=18)

PART - D

Answer **any two** questions. **Each** carries **eight** marks.

19. How residential status of individual is determined ?
20. Mr. X has furnished the following details with regard to his salary income for the year ended 31/03/2022.
- 1) Salary at Rs. 12,000 per month.
 - 2) Bonus at six months' salary.
 - 3) Travelling allowance for tour at Rs. 300 per month.
 - 4) Entertainment allowance of Rs. 500 per month.
 - 5) Commission equal to four month's pay.
 - 6) He is provided with free furnished quarter in a city (population 15 lakh), valued at Rs. 3,000 per month and furniture and fitting of the value of Rs. 10,000. He is also provided with free lunch at the company valued at Rs. 60 per meal for 300 days.
- He claims :
- a) Electricity and water charges incurred by him for his residence Rs. 1,600 per month Entertainment and travelling allowance in full.
 - b) His contribution to company's RPF is at Rs. 2,000 per month and the employer contributes an equal sum. The interest credited to the PF account is Rs. 12,000 at 9.5%. Compute taxable salary.



21. Mr. Om is a cloth merchant. From the following Profit and Loss A/c for the year ended 31/03/2022. Compute his income from business for the AY 2022 – 23.

Salaries and wages	15,000	Gross Profit	2,70,000
Rent and taxes	4,000	Dividend on shares	4,000
Domestic expenses	2,500	Rent from building let out	10,000
Income tax	1,200		
Postal charges	1,500		
Donation	2,500		
Life insurance premium	2,000		
Audit fees	1,500		
Bad debts reserve	1,800		
Bad debts	2,500		
Depreciation	5,000		
Net profit	2,44,500		
	2,84,000		2,84,000

Other information :

- i) Rent and taxes include Rs. 2,000 paid as municipal tax on building let out.
- ii) Value of life insurance policy is Rs. 18,000.
- iii) Donation was given to an approved institution.
- iv) Permissible depreciation Rs. 4,000.

(2×8=16)