

QP CODE: 24033406



24033406

Reg No :

Name :

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS, OCTOBER
2024**

Fifth Semester

Optional Core - CO5OCT01 - INCOME TAX - I

Common for B.Com Model I Finance & Taxation, B.Com Model II Finance & Taxation & B.Com
Model III Taxation

2017 Admission Onwards

B4BA8187

Time: 3 Hours

Max. Marks : 80

Instructions to Private candidates only: This question paper contains two sections. Answer SECTION I questions in the answer-book provided. SECTION II, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under SECTION II

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Explain the meaning of Gross Total Income and Total Income.
2. Explain in brief "Deemed Assessee".
3. Who is a non-resident individual?
4. What is income deemed to be received. Explain with examples.
5. Who is a specified employee?
6. State any four taxable allowances.
7. Define Statutory Provident Fund.
8. Write a short note on commutation of pension.
9. What do you understand by Co-ownership?
10. What is the annual value?
11. Explain the term "Book Profit".
12. Define the term "Business".

(10×2=20)

Part B

Answer any *six* questions.

Each question carries **5** marks.

13. Explain the features of Income Tax Act 1961.
14. State clearly the difference between the assessment of ordinarily resident and non-ordinarily resident.
15. Define capital expenditure. What are the main tests to distinguish a capital expenditure from a revenue expenditure?
16. Discuss the taxability of gratuity under the head "Salaries".
17. State the items of income from house property which are not liable to pay tax.
18. Mr. M a citizen of the U.K. came to India for the first time on 1 st May 2017. He stayed here without any break for 3 years and left for Bangladesh on 1 st May 2020. He returned to India on 1 st April 2021 and went back to the U.K. on 1 st December 2021. He was posted back to India on 20 th January 2024. Compute his residential status for the Assessment Year 2024-25.
19. Mr. Harish is an Indian citizen. He went out of India first time on 15 th August 2023 in connection with research work in the U.S.A. and came back to India on 26 th January, 2024. During the financial year he received the following:
Rs.
 - a) Salary in the U.S.A. 1,60,000
 - b) Salary in India 1,00,000
 - c) Interest on debentures of an Indian Co. (Gross) 18,000
 - d) Dividend on the share of Foreign Co. (net) 7,000
 - e) Payment from public provident fund 10,000Compute his residential status and his gross total income for the Assessment Year 2024-25.
20. Mr. Beban is employed in Mumbai. His particulars of income for the A.Y. 2024-25 are as follows:
Basic salary Rs. 23,000 per month, dearness allowance Rs. 4,000 Per month (40% is computed for retirement benefit), bonus Rs. 20,000 per year, commission Rs. 15,000 per year, entertainment allowance Rs. 3,000 per month.
Compute his salary income for the A.Y. 2024-25.
21. From the following information compute the annual value of the house:
Municipal value Rs. 80,000
Fair rent 1,20,000
Standard rent 1,00,000
The house was self-occupied for four months and then let-out @ (a) Rs. 10,000 p.m. (b) Rs. 15,000 p.m. Municipal tax paid by the owner Rs. 10,000.

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Mr. Arul Das is employed as an Engine Driver in Indian Railways. He is getting Rs. 15,000 p.m. as basic salary; Rs. 2,500 p.m. as dearness pay and Rs. 2,500 p.m. as dearness allowance. During 2023-24, he received the following allowances also:
- Rs. 16,500 as Running allowance.
 - Rs. 200 p.m. per child as educational allowance for his two children.
 - One of his sons is staying in a hostel on which Mr. Arul Das is spending Rs. 800 p.m. He is getting Rs. 500 p.m. for his son as hostel allowance for meeting these expenses.
 - Rs. 250 p.m. as C.C.A.
 - Rs. 400 p.m. as uniform allowance fully spent for employment purposes.
 - Rs. 2,500 p.m. as H.R.A. He pays Rs. 3,000 p.m. as rent to the house owner.
- Compute his Taxable Salary for the A.Y. 2024-25.
23. Mr. Manu is the owner of a house at Trissur, the municipal value of which is Rs. 24,000 for the previous year 2023-24. Municipal taxes charged on the house was Rs. 2,000 of which the assessee paid only Rs. 1,000 in 2023-24. He had used the house for self-occupation, but as he was away, he let it out for rent of Rs. 2,000 p.m. from 1.12.23. He incurred the following expenses during 2023-24:
- Insurance premium relating to house property Rs. 1,000.
Interest on loan taken for repair of house property Rs. 3,000.
The tenant did not pay him the rent for one month. Conditions for deductions of unrealized rent are satisfied. Compute income from house property.
24. Mr. Smart prepared P&L A/c of his shop for the year ended 31st March, 2024.

Expenses Rs.

To Salaries 13,000
Rent 1,600
Household expenses 2,000

Income tax 900

Advertisement 800

Income Rs.

By Gross profit 34,725
Gift from friends 275

Employee welfare exp: 900
Life insurance premium 2,100
Bad debts reserve 800
Net profit 12,900

35,000

35,000

Compute his income from the business.

25. Write a short note on the following:
- a) Casual income
 - b) Perquisites
 - c) Annual accretion
 - d) Unrealized rent
 - e) Professional firm

(2×15=30)