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Reg. No. :

Code No. : 22097 E Sub. Code : CECO 51

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Fifth Semester

Commerce

Major Elective – INCOME TAX LAW AND PRACTICE

(For those who joined in July 2021 & 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. There are _____ heads of income.

- (a) 2 (b) 3
(c) 4 (d) 5

2. Allowances of MLA are

- (a) fully taxable (b) fully exempted
(c) partly exempted (d) none of these

3. Dearness allowance is

- (a) taxable (b) exempted
(c) partly taxable (d) none of these

4. Interest on RPF is exempted upto

- (a) 9.5% (b) 9.75%
(c) 10% (d) 12%

5. Standard deduction u/s 24 is

- (a) $\frac{1}{4}$ of NAV (b) 30% of NAV
(c) 30% of GAV (d) Rs.10,000

6. The basis of charge for tax on income from house property is

- (a) Annual value (b) Rental value
(c) Municipal value (d) Market value

7. The income earned by a chartered accountant is

- (a) business income (b) professional income
(c) both (a) and (b) (d) none of these

8. There are _____ kinds of capital gains
[How many types of capital gains are there?]

- (a) 2 (b) 3
(c) 4 (d) 5

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9. The due date for an individual to file return of income tax _____.

- (a) September 30 (b) July 31
(c) October 31 (d) June 30

10. The income tax exemption for senior citizen is

- (a) Rs. 2,50,000 (b) Rs. 3,00,000
(c) Rs. 5,00,000 (d) None of these

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

11. (a) Define income.

Or

(b) Mr. Abi left India for the first time on 17.12.2022 and returned back to India on 5th February 2023. Identify his residential status for the assessment year 2023-24.

12. (a) What do you mean by Perquisite? Give any five examples.

Or

(b) Mr. X is employed in a private company at Rs. 70,000 pm; Rs. 6,000 pm as dearness allowance (forming part of salary for retirement benefits). He received Rs. 2,000 pm as House Rent Allowance. He paid Rs. 2,500 pm as rent. Compute taxable HRA.

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13. (a) Write short notes on deemed owner.

Or

(b) From the following particulars find out the gross annual value.

Municipal value	Fair Rent	Standard Rent	Actual Rent
26,000	28,000	35,000	30,000

14. (a) Explain the term business and profession.

Or

(b) Mr. Kevin purchased a piece of Land on 4.1.1998 for Rs. 50,000. This land was sold by him on 2.9.2022 for Rs. 15,00,000. The market value of land as on 1.4.2001 was Rs. 1,00,000. Expenses on transfer were 2% of the transfer price. Compute the capital gains (taxable) for the AY 2023-24. Assume the cost inflation index for 2022-23 to be 331.

15. (a) What is PAN?

Or

(b) Compute the gross total income for the assessment year 2023-24.

Business loss Rs. 50,00,000; Income from house property Rs. 45,00,000; Income from other sources Rs. 1,00,000; STCG Rs. 3,00,000; LTCG Rs. 11,00,000.

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[P.T.O.]



PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

16. (a) How would you determine the residential status of an individual?

Or

- (b) What is total income? Explain.

17. (a) Compute income from salaries from the following :

- (i) Salary @ Rs.6,250 pm
- (ii) Bonus Rs.6,000
- (iii) DA @ Rs.3,000 pm (50% enters for retirement benefits)
- (iv) Commission @ 2% on turnover of Rs.8,00,000
- (v) RPF contribution by employer and employee @ 14% of salary
- (vi) Interest credited during the year on RPF is @ 11% being Rs.5,500.

Or

- (b) Discuss the deductions allowable under the head 'Salaries'.

18. (a) How the income from let out house property is calculated?

Or

- (b) How do you determine the annual value of House Properties?

19. (a) Explain any eight items that come under the head income from other sources.

Or

- (b) Cash book of an auditor for the period ended 31.03.2022 is given.

Particulars	Rs.	Particulars	Rs.
To balance b/d	9,614	By office expenses	24,150
To audit fees	54,750	By personal expenses	4,769
To accountancy work fee	25,475	By membership fees	4,045
To other source income	27,745	By income tax	2,493
To rent from house property	14,200	By car purchased	23,450
		By car expenses	5,420
		By insurance (house)	300
		By balance c/d	67,157
	<u>1,31,784</u>		<u>1,31,784</u>

Depreciation on car @ 15%; 1/4 of car expenses for personal purpose. Compute professional income.



20. (a) Explain clearly the provisions of Income tax act regarding deductions for donations.

Or

- (b) Explain the various sources of income to an individual.
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