22100109

Reg. No...................................

Name....................................

B.Com. DEGREE (C.B.C.S.) [REGULAR/REAPPEARANCE] EXAMINATION JANUARY 2022

Fifth Semester

Optional Core—CO 5O CT 01—INCOME TAX–I

[B.Com. Model II Finance and Taxation, B.Com. Model III Taxation, B.Com. Model I Finance and Taxation]

(Regular Candidates : 2017 Admission onwards]

(Private Candidates : 2019 Admission only)

Time : Three Hours

Maximum Marks : 80

Part A

Answer any **ten** *questions.*
Each question carries 2 marks.

1. Define Previous year under I.T. Act.

2. What is meant by Total Income Under I.T. Act ?

3. Who is a Deemed Assessee ?

4. Who is an ordinary resident in India ?

5. What is the section 10 of I.T. Act ?

6. What allowances are exempted from tax ?

7. What is meant by Perquisites ?

8. Write a short notes on valuation of transfer of movable asset.

9. Define Gratuity.

10. Write a short notes on Standard rent.

11. Distinguish between Business and Profession.

12. What is meant by additional depreciation ?

$(10 \times 2 = 20)$

Turn over

Part B

Answer any six questions.
Each question carries 5 marks.

13. What are the different types of Income under I.T. Act ?

14. What is the exemption available on commuted pension ?

15. Discuss briefly the tax free allowances.

16. What is meant by annual value of property ?

17. What are the allowances that are admissible in determining the income from business ?

18. Mr. Ramesh has the following incomes from the Financial year 2019–2020 :

    (i)   Income from house property situated in London–Rs. 40,000.

    (ii) Income from salary received in India for services rendered in London (computed)–
          Rs. 28,000.

    (iii) Profit from business in London controlled from India–Rs. 1,20,000.

    (iv) Profit from Kanpur business–Rs. 1,10,000.

    (v)   Agricultural income in India–Rs. 10,000.

    Compute the income of Mr. Ramesh for the Assessment Year 2020–2021, if he is :

    (i)   Ordinarily resident in India.

    (ii) Non-resident.

19. Mr. X started the construction of his house on 01–06–2012 and for this he took a loan of
    Rs. 2,00,000 at 13.5 % p.a. from SBI. He took another loan of Rs. 6,00,000 at 13 % p.a. On
    01–04–2015 to complete the house. The construction was completed on 30–11–2015 and was self-
    occupied from 01–12–2015.

    Compute his income under the head Income from 'House Property' for the Assessment Year
    2020–21.

20. Explain bond washing transactions.

21. Mr. Alex Mathew, an employee of Excel Co. Ltd., receives Rs. 2,05,000 as gratuity under the
    payment of Gratuity Act 1972. He retires an 10th September 2019. After rendering service for 35
    years and 7 months. The last drawn salary was Rs. 2,700 per month. calculate the amount of
    gratuity chargeable to tax

    (6 × 5 = 30)

Part C

*Answer any **two** questions.*
Each question carries 15 marks.

22. Mr. A gets Rs. 18,000 per month as salary and dearness allowance at 10 % of the salary. He is getting entertainment allowance of Rs. 8,000 p.a. During the previous year ended 31st March, 2020, he received a bonus of three month's salary. He is also provided with a rent-free house (unfurnished) in a town (whose population is less than four lakhs) whose fair rent is Rs. 5,000 per month. Find out his income under the head 'salaries' for the Assessment year relevant the previous year 2019–2020.

23. Mr. Gupta owns a house property in pune which is let out for Rs. 8,000 p.m. Its municipal valuation and municipal taxes are respectively Rs. 8,000 and 30 %. Mr. Gupta paid municipal taxes of past 4 years along with for the current previous year. Other expenses relating to property are following :

    (i) Repair and insurance premium Rs. 7,000.

    (ii) Interest for purchase of house Rs. 42,000. The house was vacant for 3 months in the year.

    Compute income of house property for the Assessment Year 2020–21.

24. Mr. Priyan gives you the following information from his book of accounts for the year ended 31–3–2020 :

	Rs.
Net Profit as per Profit and Loss Account	– 5,40,000
(before charging the following)	
Expenditure on staff welfare	– 30,000
Revenue expenditure on family planning among employees	– 32,000
Capital expenditure on above	– 8,00,000
Lump sum consideration for purchase of technical know-how on 1.7.2019	– 1,00,000
Entertainment expenditure	– 15,000
Expenditure on acquisition of patent rights on 1-11-2018	– 1,25,000
Expenditure on advertisement paid in cash	– 90,000
Amount paid to Anna University for an approved research program	
in the field of social science and connected with the business	– 40,000

    Compute business income of Mr. Priyan for the Assessment year 2020–21.

25. Explain, how house properties are classified for a computation of their taxable income.

(2 × 15 = 30)

Turn over