



Gambal

Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD)
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination November 2024
V Semester

Class : III UG
Major : B.Com /B.Com (PA)/B.Com Corp.Sec

Time: 3 Hours
Max. Marks: 100

21BCOC18/21BCPC20 / 21BCRC18 Direct Taxes -I / Income Tax Law and Practice – I

Course Outcomes:

- CO1: Recollect the basic concepts and definitions of Income Tax Act
CO2: Know the incomes exempted from tax
CO3: Understand the computation of income under various heads as per the provisions of Income tax.
CO4: Remember the exemptions, deductions and rebates under income tax rules
CO5: Apply income tax provisions in set off and carry forward of loss.

Part A
Choose the Correct Answer

10 x 1 = 10

1. An assessee can be resident at the same time for tax purpose in _____ countries. CO1 K1
a. Two b. Three
c. Four d. Any number of countries
2. The term "previous year" means CO1 K1
a. Financial year b. Calendar year
c. Accounting year d. Financial year before the assessment year
3. The maximum amount allowed as deduction for entertainment allowance is CO2 K1
a. ₹ 5,000 b. ₹ 10,000 c. ₹ 15,000 d. ₹ 50,000
4. The provisions relating to the income from house property are contained in sections CO2 K1
a. 16-21 b. 22-27 c. 28-32 d. 36-42
5. Expenses exceeding _____ paid in cash are disallowed to the extent of 100% CO3 K2
a. 10,000 b. 20,000 c. 30,000 d. 40,000
6. Capital gain is classified into _____ types CO3 K1
a. Two b. Three c. four d. five
7. Income from other source is the CO4 K1
a. First head of income b. Fourth head of income
c. Last and residuary head of income d. Third head of income
8. In computing the total income of an assessee, which of the following incomes shall be included in his total income? CO4 K2
a. Unexplained investment b. Unexplained money
c. Unexplained expenditure d. Unexplained income
9. Brought forward non- speculative business loss can be set off against income from CO5 K1
a. House property b. Speculative business
c. Business d. Income from any other heads
10. Short term capital loss can be set off against CO5 K2
a. short term capital gain b. long term capital gain
c. Any capital gain d. Any head of income

Part B

5 x 6 = 30

Answer all questions

Each answer should not exceed 400 words or two pages

11.a. Mr. Amal, an Indian citizen left india for the first time on 29.09.2023. He did not return until 31.03.24. Determine his residential status for the P.Y. 2023-24. CO1 K3

(or)

11.b. Explain the terms Previous year and Assessment year. CO1 K3

12.a. Ms.Hasina, the owner of the one house , occupies it for her own residence. The MRV and FRV of the house is ₹84,000 and ₹96,000 respectively. She has paid ₹7,500 as municipal tax. Besides she paid interest on borrowed capital for acquiring that house (borrowed during 2019) ₹3,75,000. Compute her income from house property. CO2 K3

(or)

12.b. Mr.Thiruvarasan is working in a government office. During the P.Y 2023-24 he got ₹50,000 p.m. as salary , ₹10,000 as D.A and ₹600 p.m. as entertainment allowance. He paid professional tax ₹2,400. Ascertain his taxable salary. CO2 K3

13.a. The profit. And loss account of a company shows a profit of Rs 70,000 after charging the following items.compute income from business

Particulars	Rs
Sales tax penalty	6000
Income tax.	7500
Donation to ramakrishna mission.	5000
Interest on capital.	8000
Advertisement expenses paid in cash.	12000

CO3 K3

(or)

13.b. Explain the kinds of capital gain . CO3 K3

4.a. State the aggregation of incomes. CO4 K1

(or)

14.b. Mr.Amarnath received the following gift during the P.Y 2023-24. Compute his taxable income from other sources.

- 1)Rs.22,000 as gift from his brother
- 2)Rs.10,000 as gift from his mother
- 3)Rs.30,000 as gift from his friend
- 4)Rs.40,000 as gift from his neighbour
- 5)Rs.1,00,000 as gift received by a will from his grandfather

CO4 K1

15.a. The following are the particulars of income and loss of an individual under different heads of income . set –off losses in the assessment year 2024-25 and find out gross total income:

	Rs
Income from house property A	5000
Income from house property B	(-)8000
Income from interest on securities	20000
Income from a cycle business	(-) 20000
Profit from speculation business	20000
Loss from short term capital asset	6000
Long term capital loss	25000
Long term capital gains (investment)	21000 CO5 K2

(or)

15.b. Mr.sethurajan furnished the following information regarding his income for the previous year 2023-24. Compute his gross total income.

- a) Income form house property - 1,50,000
- b) Business loss - 60,000
- c) current year depreciation. - 10,000
- d) business loss of preceding year - 50,000
- e) unabsorbed depreciation of preceding Year - 30,000
- f) short term capital loss - 40,000
- g) long term capital gain - 50,000

CO5 K2

Part C

5 x 12 = 60

Answer all questions

Each answer should not exceed 800 words or four pages

16.a. Mr. Krishan was in India for 182 days in the previous year 2023-24. Determine his residential status for the P.Y. 2023-24 on the assumption that during the financial year of 2010-11 to 2022-23, he was available in India as mentioned below:

2010-11 - 36 days
2011-12 - 8 days
2012-13 - 6 days
2013-14 - 61 days
2014-15 - 180 days
2015-16 - 20 days
2016-17 - 45 days
2017-18 - 120 days
2018-19 - 49 days
2019-20 - 181 days
2020-21 - 40 days
2021-22 - 59 days
2022-23 - 57 days.

CO1 K2

(or)

16.b. Classify assessee for tax purpose.

CO1 K2

17.a. Dr. Manikandan was appointed as a manager of a private Ltd., co on 1st January 2021 in a grade of Rs.17,400-300-25,000 at a basic salary of Rs.17,400 p.m. Compute his salary income of the previous year 2023-24 if,

- 1) Salary is due on first of every month end
- 2) if salary is due on the last date of every month

CO2 K3

(or)

17.b. Mr. X owns a house property. It is used by him throughout the previous year 2023-24 for his residence. Municipal value of the house is Rs.40,000. Fair rent is Rs.50,000. Municipal tax paid by him was Rs.4,000. Mr. X borrowed Rs.10,00,000 on 01.01.2017 at 10% per annum for the construction of the house. The construction was completed on 01.10.2019. Compute income from house property for the assessment year 2024-25.

CO2 K3

18.a. Mr. Deva owns a residential house at Thoothukudi. From the following information, compute his capital gain.

Cost of construction (during 2014-15) - 7,50,000
Cost of additions and improvement during 2017-18 - 2,50,000
Sale consideration (sale made on 17.11.23) - 25,00,000
Expenses on transfer - 25,000
Cost of new house purchase in Chennai (20.02.24) - 4,00,000
Amount deposited in capital gain deposit scheme in SBI on 17.05.24 - 2,00,000
C.I.I 2014_15: 240, 2017_18: 272, 2023_24: 348

CO3 K3

(or)

18.b Explain the incomes chargeable to tax under the head profits and gains of business or profession

CO3K4

19.a Mr. Gopal, a resident individual, submits the following particulars of income for the previous year ending March 31, 2024.

- 1) Dividend from REC International Ltd. Rs.4,800.
 - 2) Dividend declared on 16.05.2023 by Sundaram Finance Ltd. Rs.4,200. Dividend from C Ltd. a foreign company, Rs.12,000. Collection charges in respect of dividend Rs.50.
 - 3) Winning from lottery: Net amount Rs.70,000 tax deducted at source Rs.30,000. Winnings from card games: Rs.23,500. Interest on securities issued by the Govt. of Singapore Rs.20,570.
- Determine the income chargeable under the head income from other sources for the assessment year 2024-25.

CO4 K3

(or)

19.b. Lakshmi has the following investments and incomes in the previous year ended 31.3.2023. Calculate her income from other sources.

Rs.

- | | |
|--|-------|
| 1. Dividend from an Indian company | 7800 |
| 2. Examinership remuneration | 2000 |
| 3. Winning from lottery (net) (Received on 1.3.23) | 35000 |
| 4. Royalty by the publication of a book | 48000 |
| 5. Rs. 40000 10% debentures of company (unlisted) | |
| 6. Rs. 40000 12% Punjab govt. securities | |
| 7. Rs. 50000 13% less tax commercial securities (unlisted) | |
| 8. Rs. 40000 10% tax free debentures of a company (unlisted) | |

9. Rs. 5400 as interest on tax free debentures (listed) (received on 1.3.2023)

In October 2022 she sold the above Rs. 40000, 10% (tax free) debentures of a company for Rs. 45000. In December 2022 she inherited Rs. 63000, 10% (tax free) debentures (listed) of XYCo., Ltd., from her father. Interest on above securities falls due on December 31st of every year.

She claims the following deductions:

- i) Collection charges for interest and dividend @2% of net amount realised.
- ii) Purchase of lottery tickets Rs. 2000

CO4 K3

20.a. Discuss the provisions relating to set off and carry forward of losses

CO5 K2

(or)

20.b. From the following particulars of Mrs. Malathy, calculate her gross total income for the previous year 2023-24.

1. Income from house property A- Rs. 50,000
 2. Loss from house property B- Rs. 80,000
 3. Income from interest on securities – Rs. 2,00,000
 4. Loss from cycle business – Rs. 2,00,000
 5. Profit from cycle business – Rs. 2,00,000
 6. Gain from short term capital asset – Rs. 2,50,000
 7. Long term capital loss – Rs. 60,000
 8. Long term capital gain – Rs. 2,10,000
 9. Mrs. Malathy the following detail of income. You are required to set off losses and carry forward furnish
- | | | | |
|---|----------|---------|----------|
| 1. Income from salary computed 2022-23 | (15,000) | 2023-24 | (15,000) |
| 2. Income from interest on security's (gross) 2022-23 | (5,000) | 2023-24 | (5,000) |
| 3. Loss from business 2022-23 | (53,000) | 2023-24 | (15,000) |
| 4. Short term capital gain 2022-23 | (8,000) | | |
| 5. Long term capital gain (land) 2022-23 | (21,000) | | |

CO5 K2
