



J. Sambit

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, [now MoE]

Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore – 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II – October, 2024

V – SEMESTER

Class : III UG

Major : B.Com /B.Com (PA)/B.Com Corp.Sec

Time : 2 Hours

Max. Marks : 60

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

CO 01: Recollect the basic concepts and definitions of Income Tax Act

CO 02: Know the incomes exempted from tax

CO 03: Understand the computation of income under various heads as per the provisions of Income tax.

CO 04: Remember the exemptions, deductions and rebates under income tax rules

CO 05: Apply income tax provisions in set off and carry forward of loss.

Part – A

Answer the following questions

6X1=6

01. Time limit to carry forward Speculation Business Loss, following the assessment year for which loss first computed is **CO2 K1**
- (a) Up to 4 Assessment years (c) Until adjusted
(b) Up to 8 Assessment years (d) Up to 10 Assessment years
02. U/S – 80IA for telecom projects, 100% of the profit earned is deductible for income tax computation for a period of **CO2 K3**
- (a) 10 out of 15 consecutive years (d) 5 out of 10 consecutive years
(b) 10 out of 20 consecutive years Companies
(c) 10 consecutive years
03. On donation to whom of the following a 50% deduction is allowable u/s – 80G of the Income Tax Act? **CO3 K4**
- (a) National Defense Fund (d) National Foundation for Communal
(b) Prime Ministers National Relief Fund Harmony
(c) Rajiv Gandhi Foundation
04. Loss from Long term capital assets can be set-off against **CO2 K4**
- (a) STCG (c) Business income
(b) LTCG (d) Salary income
05. Which of the following terminology are NOT related to income tax? **CO1 K3**
- (a) Tax Deduction and Collection Account Number (TAN) (c) Dearness Allowance (DA)
(b) Leave Travel Allowance (LTA) (d) Taxpayer Identification Number (TIN)
06. Capital Gains means **CO4 K2**
- (a) An increase in the value of an asset (d) An increase in the amount of Foreign Capital
(b) An increase in the stock of Capital
(c) An increase in the yield of an asset

Part – B

Answer any two of the following questions

3X6=18

(Answers not exceeding 400 words)

CO1 K3

07. (a) From the following particulars compute the total income of Mr.Moharaj for the A.Y. 2023 -2024

Particulars	Amount in Rs.
Loss from house property	-10,000
Short term Capital gain on sale of shares	1,05,000
Long term Capital loss on sale of bonds	-85,000
Other Sources: Interest on Government Securities	10,000

OR

- (b) Mr. Vinay received the following gifts during the previous year 2023-2024. Compute his taxable income under the head Income from other sources:
- Received Rs. 100,000 as gift from Vijay (friend) on 1.6.2023
 - Received a Microwave costing Rs. 14,500 as gift from his another friend Vishal.
 - Received Rs. 50,000 as gift from another friend Amrit on 1.11.2023
 - Received Rs. 30,000 as gift from his sister Mr. Vinod on 1.12.2023
 - Received Rs. 40,000 as gift from his friend Mr. Vicky on 1.12.2023
 - Received Rs. 160,000 as gift from his non-resident friend on 1.2.2024
 - On April 13, 2023, he receives a plot worth Rs. 10 Lakh from his nani's sister under a will
 - On June 21, 2023, he purchased a house from father-in-Law of his brother for Rs. 5 lakh. The Stamp duty value of the house is Rs. 7 Lakh.

08. (a) A non-resident Indian acquired shares on 01.02.2011 for Rs. 2,00,000 in foreign currency. These shares are sold by him on 01.02.2023 for Rs. 6,00,000. He invests Rs. 6,00,000 in shares on 31.03.2023 and these shares are sold by him on 30.06.2023 for Rs. 7,00,000. Discuss the tax implications. Ignore the effect of first proviso to section – 48. **CO2 K3**

OR

- (b) Compute total income of Mr. X, a disabled, for the A.Y 2023-24: **CO3 K3**
- Salary income is Rs: 4,30,000
 - He deposited Rs:20,000 in URPF.
 - He paid LIC premium Rs: 45,000 on a policy (issued on 15-6-2022) of Rs: 4,00,000
 - He donated Rs: 20,000 to National Children's Fund by cheque.

09. (a) From the following particulars of Mr. Vinay (Resident) calculate his tax liability for the A.Y. 2023 – 2024 **CO3 K3**

Particulars	Amount in Rs.
Salary	1,29,000
Business Income	70,000
Royalty on Books for Colleges	30,000
Rent from House Property	20,000
Dividend Income	15,200
Bank Interest	8,800
Income of a Minor Son	50,000
LTCG	30,000
Contributions to PPF	3,000
Life Insurance Premium paid	1,000
Health Insurance Premium Paid	800
Donation to National Defense Fund	5,000

OR

- (b) Agricultural land purchased in 1984-85 for Rs: 75,000 sold for Rs: 7,20,000 on 01-05-2012. The assessee purchased another piece of agricultural land on 01-08-2012 for Rs:80,000 and deposited Rs:50,000 in Capital Gains Account Scheme, 1988. Compute the Capital Gain chargeable to tax for the AY 2013-14. CII in 1984-85 was 125 and in 2012-13 is 852

Part – C

3 x 12= 36

Answer the following

Answer should not exceed 800 words

10. (a) From the following P and L Account Calculate Income from Business **CO3 K3**

Particulars	Amounts in Rs.	Particulars	Amounts in Rs.
To General expenses	20,000	By Gross profit	5,00,000
To Bad debts	25,000	By Sundry receipt	50,000
To Advance income tax	24,000	By Bad debts recovered (earlier allowed as deduction)	12,500
To Salary to staff	40,000	By Interest on debentures	40,000
To Drawings	40,000	By Interest on deposit with a company	25,000
To Interest on capital	24,000		
To Advertisement	9,000		
To Excise duty	12,000		
To Expenditure on acquisition of patent right (in 2016)	10,000		
To Net profit	4,23,000		
Total	6,27,500	Total	6,27,500

Adjustments

- General expenses include Rs. 2,300 spent as marriage expenses by the proprietor.
- Advertise an expense was spent on 31st august 2018.
- Income of Rs. 12,000 accrued during the PY 2018-19 is nit recorded in the P&L A/c.
- An expenditure of Rs, 1,000 relating to business is not show in P&L A/c.
- The proprietor owns two houses from which he gets the income of Rs, 1,80,000

OR

- (b) Mr.Y had a Gross Total Income of Rs. 5,00,000 which included Rs. 10,000 as long term capital gains for the assessment year 2023-24. During the year Mr. Y made the following donations:

CO1 K4

Particulars	Rs.
i) National Defence Fund	10,000
ii) Prime Minister's National Relief Fund	1,00,000
iii) To Family planning Association of India	10,000
iv) All India Congress party (recognised political party)	1,00,000
v) University of Allahaba (notified as institute of National Eminence)	50,000
vi) Notified charitable hospital	50,000

	3,20,000

In addition to the above he paid Life Insurance premium of Rs. 25,000 on a policy of Rs. 2,00,000 which he acquired on 10th March, 2023. You are requested to advise your client and compute the relief in respect of donations and life Insurance Premium.

11. (a) Dr. Satish is a medical practitioner. He gives you the following summary of cash book for the year ending 31-3-2023

CO3 K4

	Rs.		Rs.
To balance	10,000	By Rent of Clinic	18,000
To Consultation fee	60,000	By Purchase of Medicine	38,000
To Visiting fee	45,000	By Staff Salaries	24,000
To Gifts and Presents	8,000	By Surgical Equipment	40,000
To Sale of Medicine	42,000	By Motor Car Expenses	8,000
To Dividend from U .T.I.	6,000	By Purchase of Motor Car	1,40,000
To Life Insurance Maturity	1,00,000	By Household Expenses	7,000
To Interest from National Defence Bonds	6,000	By Closing Balance	2,000
	2,77,000		2,77,000

Other information:

- 50% of the motor car expenses incurred in connection with profession. Car was purchased in Dec. 2022
- Household expenses include Rs. 6800 for life insurance premium.
- Gifts and presents include Rs. 3000 from relatives.
- Closing stock of medicine Rs. 12000 and on 1-4-2022 opening stock was Rs. 4000.

OR

- (b) (i) Compute his professional gain for the assessment year 2023-24
(ii) Discuss the following:
a. Tax treatment of lottery income
b. Interest
c. Taxability of income from letting out of capital asse
12. (a) Explain the tax rate applicable to a firm for the Assessment year 2023 – 2024

CO3 K4

OR

- (b) From the following particulars submitted by Sri. Mani Shankar Iyer, compute his income from other sources for the AY 2023-24 :

CO3 K4

As Director of ABC Ltd. he received Rs: 12,000 p.m. as salary and Rs: 1,200 p.m. as entertainment allowance. The company provides him a car for both official and personal use. The personal use is estimated to be 50%. The company incurs an expenditure of Rs.16,000 on running and maintenance of the car {for both official and personal use) and depreciation of the car may be taken as Rs: 14,000.

- He was also a Director in another company from which he received Rs: 13,000 as Director's fee.
- Interest received on deposits with a Co-operative bank limited Rs:2,000. Dividend received from a foreign company Rs: 6,000.
- Received winnings from lottery Rs: 24,500
- Income from agricultural land in England Rs: 78,000.
- Honorarium for delivering lectures in a registered society Rs:1,200.

Staff In-charge: Dr. K. Vidhyakala
Dr. V. Vimala

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