

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2022**Fifth Semester****INCOME-TAX LAW AND PRACTICE**

(Common for Optional Stream Finance and Taxation of Model I and Model II B.Com. and UGC Sponsored B.Com. Taxation)

[2013 to 2016 Admissions]

Time : Three Hours

Maximum Marks : 80

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries 1 mark.

1. What is Income tax ?
2. What is Assessment Year ?
3. What is partly agricultural income ?
4. When a company is resident ?
5. What is House Rent Allowances ?
6. What is Public Provident Fund ?
7. Write a short note on Pension.
8. What is annual value ?
9. What is Book Profit ?
10. Explain Business.

(10 × 1 = 10)

Part B

Answer any eight questions.

Each question carries 2 marks.

11. What is speculative business income ?
12. Explain the deduction of preliminary expenses.
13. What is pre-construction period ?
14. What is gratuity ?
15. Explain entertainment allowance and its provisions.

Turn over

16. Explain the valuation of House Rent Allowance.
17. What is Statutory Provident Fund ?
18. Give two examples of income exempted u/s 10.
19. Who is a non-resident individual ?
20. Explain general rule of taxation.
21. What is Total income ?
22. What is PAN ?

(8 × 2 = 16)

Part C

*Answer any six questions.
Each question carries 4 marks.*

23. How to find out the residential status of a company ?
24. Define Salary.
25. Explain types of Provident Funds.
26. State any five deductions expressly allowed in the case of business.
27. Mr. Smith, a Russian came to India for the first time on 10-01-2015 and left to Australia on 15-09-2015. He came back to India on 5th April 2019. Determine his residential status for the A.Y. 2019-20.
28. Mrs. Ram is an employee getting a monthly salary of Rs. 10,000 plus a D.A. of Rs. 1000 p.m. She contributed 14 % of her salary and D.A. to a RPF to which her employer contributes an equal amount. Interest on Provident Fund is determined at 14 % p.a. What will be her taxable salary ?
29. From the following details calculate taxable HRA of Mr. Shayam in Coimbatore :

	Rs.
Basic pay (p.a.)	... 7,80,000
D.A. (p.a.) forming part of salary	... 78,000
HRA (p.a.)	... 1,17,000
Rent paid (p.a.)	... 1,32,000

30. Annual value of a house property is Rs. 72,000. The deductions claimed are as follows :
 - (i) Repairs Rs. 2,000.
 - (ii) House tax paid Rs. 6,000.
 - (iii) Interest on loan for repair of house Rs. 40,000.
 - (iv) Insurance premium due Rs. 1,000.

Find the income from house property for the A.Y. 2019-20.

31. Profit and Loss account of M/s. Ram Traders shows a net profit of Rs. 2,00,000 after debiting the amount is withdrawn for personal expenses Rs. 20,000, Life Insurance premium Rs. 30,000, Income tax Rs. 44,000, expenses relating to income tax proceeding Rs. 30,000 and municipal tax relating to the self-occupied property Rs. 1,400. Compute his taxable income under the head Profits and Business.

(6 × 4 = 24)

Part D

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

32. Explain incidence of tax with the help of suitable illustrations.
33. Given below is the Profit and Loss Account of a merchant for the year ended 31st March 2019 :

	Rs.		Rs.
Opening stock	... 25,000	Sales	... 6,00,000
Purchases	... 2,50,000	Rent of property...	15,000
Wages	... 1,00,000	Closing stock	... 35,000
Audit Fee	... 1,000		
Repair (house)	... 2,000		
General charges	... 1,500		
Commission for raising loans	... 1,000		
Bad debt reserve	... 500		
Interest on capital	... 10,500		
Staff Welfare Fund	... 2,500		
Income tax	... 1,500		
Depreciation (allowable)	... 2,500		
Net profit	... 2,50,000		
	<u>6,50,000</u>		<u>6,50,000</u>

34. Compute the net annual value from the following :—

<i>Particulars</i>	<i>House I</i>	<i>House II</i>	<i>House III</i>
Municipal value	... 48,000	36,000	96,000
For rental value	... 60,000	45,000	1,16,000
Actual rent	... 54,000	40,000	1,20,000
Standard rent	... 72,000	42,000	1,15,000
Municipal tax paid	... 4,800	3,600	9,600

Turn over

35. Mr. Mohan is employed in Delhi. His particulars of income for the A.Y. 2019-20 are as follows :

Basic salary	...	17,000 p.m.
D.A.	...	4,000 p.m. (40 % enters into pay)
Bonus	...	20,000 p.a.
Commission	...	15,000 p.a.
Entertainment allowance...		3,000 p.m.

Calculate Mr. Mohan's salary for the A.Y. 2019-20.

(2 × 15 = 30)