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V Semester B.Com. (Regular)/LSCM/A&F/T&T/BDA/I&AS)

Degree Examination, February/March - 2024

COMMERCE

Income Tax Law and Practice - 1

(CBCS NEP Scheme)

Paper : 5.2

Time : 2½ Hours

Maximum Marks : 60

*Instructions to Candidates:*

Answers should be written in English only.

**SECTION - A**

Answer any FIVE of the following sub-questions. Each right answer carries 2 marks.  
(5×2=10)

1. a) Who is a Person?  
b) Define Agricultural Income.  
c) Expand 'PAN' and 'CIT'.  
d) Who is a Non-Resident?  
e) Define Perquisite.  
f) Who is a Specified Employee?  
g) Define Annual Value.

**SECTION - B**

Answer any FOUR of the following questions. Each right answer carries 5 marks.  
(4×5=20)

2. State whether the following are agricultural or non agricultural income.
  - a) Income from agricultural land situated in Australia.
  - b) Income derived from sale of seeds.
  - c) Income from sale of forest trees of spontaneous growth.
  - d) Lease rent received from land given to tenants for agricultural operations.
  - e) Income derived from land used as stone quarries.
3. State any five powers/functions of Central Board of Direct Taxes.
4. Mr.Sanchari went to South Africa for studies on 5<sup>th</sup> August 2022 and came back to India on 25<sup>th</sup>February 2023. He had never been out of India before. What is his Residential Status for the Assessment Year 2023-24?

[P.T.O.]



5. Mr. Amar a non-government retired employee is getting a pension of Rs.18,000 per month from a company. During the previous year 2022-23 he got his  $\frac{3}{4}$ <sup>th</sup> of pension commuted and received Rs.1,80,000. Compute the exempted and taxable amount of commuted pension for the Assessment Year 2023-24 if:
- He receives gratuity.
  - He does not receive any gratuity.
6. Compute Net annual value from the following information.
- Municipal Rent Value Rs.50,000
  - Fair Rental Value Rs.45,000.
  - Standard Rent Rs.55,000.
  - Actual Rent Rs.5,000 per month.
  - Unrealised Rent Rs.5,000.
  - Municipal Taxes paid Rs.5,000.

### SECTION - C

Answer any TWO of the following questions. Each right answer carries 12 marks.  
(2×12=24)

7. Following are the incomes of Ms. Sukumari for the previous year 2022-23.
- Income received in India Rs.10,000 which accrued in England.
  - Income earned in India but received in England Rs.5,000.
  - Income earned and received in Africa but brought in to India Rs.10,000
  - Income earned and received in Japan from a business controlled from India Rs.20,000
  - Untaxed foreign income of some earlier years, which was brought to India in the previous year Rs.16,000.
  - Interest on Fixed Deposit in State Bank of Mysore, Rs.12,000.
  - Income from agriculture in Africa Rs.10,000.( $\frac{1}{2}$  received in India)
  - Dividends received in U.K from an American Company Rs.10,000.
  - Income from house property in Mumbai Rs.50,000
  - Pension income from Belgium for services rendered in India with a limited company Rs.20,000.
  - Gift from relatives Rs.80,000.

Compute her Gross Total Income for the Assessment Year 2023-24, if Miss.Sukumari is

- Resident and Ordinarily Resident.
- Resident but not Ordinarily Resident.
- Non-Resident.



8. Mr. Ganapa the manager of Maruthi Suzuki Ltd., Mumbai, has furnished the following details of his income for the year ended 31<sup>st</sup> March 2023.
- Basic salary of Rs.25,000 per month.
  - Bonus-2 months basic salary.
  - Commission is 3% on sales - During the year he reached a sales of Rs.5,00,000.
  - Dearness allowance forming part of salary Rs.5,000 per month(Considered to retirement benefits).
  - Medical allowance Rs.1,000 per month.
  - Entertainment allowance Rs.2,000 per month.
  - Children's hostel allowance for his two children at Rs.500 per month per child.
  - Employer's contribution to RPF Rs.6,000 per month.
  - His own contribution is Rs.5,000 per month.
  - Interest credited to R.P.F. at 11% per annum Rs.44,000.
  - He has been provided with rent free unfurnished accommodation at Mumbai.

Compute his taxable salary for the Assessment year 2023-24. (Ignore Alternative Tax Regime)

9. Ms.Sundari owns three houses in Mysore. From the following particulars compute her taxable income from house property for the assessment year 2023-24. (Ignore Alternative Tax Regime)

| Particulars                                | House - I<br>Rs. | House - II<br>Rs. | House - III<br>Rs. |
|--------------------------------------------|------------------|-------------------|--------------------|
| Municipal Rental value                     | 1,20,000         | 1,00,000          | 65,000             |
| Fair Rental Value                          | 1,30,000         | 90,000            | 60,000             |
| Actual Rent                                | 1,44,000         | 1,20,000          | -                  |
| Unrealized Rent                            | --               | 10,000            | -                  |
| Municipal tax paid on<br>Municipal value   | 10%              | 10%               | 10%                |
| Repairs                                    | 1,000            | 8,000             | 6,000              |
| Interest on loan taken for<br>Construction | 20,000           | 10,000            | 8,000              |
| How used                                   | Let out          | Let out           | SOP                |

#### SECTION - D

Answer any ONE of the following questions which carries 6 marks . (1×6=6)

- List out any Six Exempted Incomes of an Individual under Section 10 of Income Tax Act 1961.
- Prepare a chart on Slab Rate of Tax of an Individual who is below 60 years of age (Old Regime)