



III SEMESTER BCOM EXAMINATION – MARCH / APRIL – 2022

SCHEME – SEMESTER – CBCS

194

INCOME TAX - I

Time: 03 Hours

Max Marks: 80

Instructions to Candidates: Answer all parts. Case Study is Compulsory

PART – A

Answer any **FOUR** of the following. Each Question carries 5 Marks: 4x5=20

1. What do you mean by agricultural income? What are its kinds?
2. Shri Pranav, who was born and brought up in India, went for further studies to UK. On 1st March, 2019 and came back to India on 1st October, 2020 early in the morning. Find out his residential status for the Assessment year 2021-22.
3. Name any five exempted Incomes under Section 10.
4. Mr. Prakul is getting a pension of ₹ 12000 pm from a Company. During the previous year he got his 2/3rd pension commuted and received ₹ 7,38,000. Compute the exempted amount, if he also received gratuity.
5. What are the Perquisites? Name any two Perquisites that are partially exempted from tax.
6. What is Capital Asset? What are its kinds?

PART – B

Answer any **TWO** of the following. Each Question carries 10 Marks: 2x10=20

7. Explain the provision for residential status of an individual as per IT Act 1961.
8. The following are the Incomes of Shree Bhagath for the previous year 2020-21
 - i) Dividend from the Indian Company ₹ 20,000.
 - ii) Profit from business in Japan received in India ₹ 24000.
 - iii) Profit from business in Mysore (controlled by London Head Office) ₹ 22,000.
 - iv) Interest received from a non-resident Mr. John, on loan provided to him for a business carried on in India. ₹ 5000.
 - v) Income from house property in India received in America ₹ 12000.
 - vi) Share of income from Indian partnership firm ₹ 30000.
 - vii) Profit from business in Bangladesh. This business is controlled from India ₹ 20,000.

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- viii) Salary received in India for the services rendered in Switzerland ₹ 60,000.
 ix) Interest on debentures of an Indian Company received in Dubai ₹ 10,000.
 x) Untaxed Income for the previous year 2018-19 brought to India during the previous year ₹ 40,000.

Compute his taxable Income, if he is

- a) Resident b) Not ordinarily Resident c) Non resident

9. Compute Capital gains of Mr. Durga Prasad for the annual year 2021-22

a) He is an owner of two residential houses, he sold one of them costing ₹ 12,00,000, which was purchased in 2010-11 for ₹ 50,00,000 and paid brokerage of ₹ 20000.

b) He had share of face value of ₹ 1,50,000 of A Ltd. Which he purchased for ₹ 3,00,000 in June 2020. He sold them for ₹ 7,00,000 on 30.10.2020.

c) He sold ornaments for ₹ 4,00,000 which was purchased by him for ₹ 60,000 in ₹ 2,000 and market value as on 1.4.2001 was ₹ 12,00,000.

He purchased a New House for ₹ 20,00,000 on 1.1.2022.

(CII 2001-02=100: 2009-10 = 148: 2010-11=167: 2020-21=301)

10. Dr. Rajeshwari submits the following particulars. Calculate the Income from profession for the Assessment year 2021-22.

Particulars	₹	Particulars	₹
To opening balance	25,000	By Salary to staff	30,000
To consultation Fees	75,000	By Purchase of medicine	15,000
To visiting Fees	62,500	By Professional books	10,000
To Agricultural Income	10,000	By car expenses	20,000
To Interest on Bank Deposit	5,000	By personal expense	35,000
To Gift from patients	6,000	By LIC Premium	10,000
To loan from Bank			
Professional	1,00,000	By Income Tax	15,000
To Sale of Medicines	30,000	By closing Balance	1,78,500
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	3,13,500		3,13,500
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Additional Information:

- 1) 25% of car expense is related to personal use.
 2) Rate of depreciation on professional books 40% car 15%



PART – C

Answer any TWO of the following. Each Question carries 15 marks. 2x15=30

11. What is Provident Fund? Explain the types of Provident Fund. .
12. Mr. Venkatesh is the owner of three houses which he uses for his residential purpose. He submits the following information in respect of these houses for the previous year 2020-21.

Particulars	I House ₹	II House ₹	III House ₹
Municipal Value	40,000	10,00,000	5,00,000
Fair Rent	50,000	1,20,000	5,50,000
Municipal Tax Paid:			
a. Owner	5,000	5,000	6,000
b. Tenant	2,000	-	-
Repair	1,000	3,000	5,000
Interest on loan			
a. For construction	10,000	-	-
b. For daughters marriage	-	6,000	-
Un reached Rent	2,000	-	-
Un reached Rent recovered	-	-	10,000

Third House is used for his own Business purpose. Compute his Taxable Income from House Property for the Annual year 2021-22.

13. Mr. Omprakash is a cloth merchant. From the following Profit and Loss Account for the year ended 31st March, 2021. Compute his income from business and his gross total income for the Annual Year 2021-22.

	₹		₹
Salaries & Wages	15,000	Gross Profit	2,70,000
Rent & Taxes	4,000	Dividend on shares (Gross)	4,000
Domestic expenses	2,000	Rent from building let out	10,000
Electricity	500		
Income Tax	1,200		
Postal Charges	1,500		
Donation	2,500		
Life Insurance Premium	2,000		

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Audit Fees	1,500	
Bad debts reserve	1,800	
Bad debts	2,500	
Depreciation	5,000	
Net Profit	2,44,500	
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	2,84,000	2,84,000
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Other Information:

- a) Rent taxes include ₹ 2,000 paid as Municipal tax on building let out.
 - b) Value of Life Insurance Policy is ₹ 18,000.
 - c) Donation was given to an approved Institution.
 - d) Permissible depreciation was ₹ 4,000.
14. Compute Taxable Income under the head Salary of Mr. Raj Guru for the Assessment Year 2021-22.
- a) Basic Salary ₹ 6,000 PM.
 - b) DA ₹ 10,000 PM.
 - c) Entertainment Allowance ₹ 1,000 PM.
 - d) Employers contribution to RPF ₹ 88,800. His own contribution was ₹ 88,800.
 - e) Interest credited to RPF amounted to ₹ 50,000 @ 10% P A.
 - f) City compensatory Allowance ₹ 500 PM.
 - g) Medical Allowance ₹ 1,200 PM.
 - h) He was also provided with large car for both official and private purpose. Employer bears all the expenses of the car including drivers salary.
 - i) Children Education Allowance 200 PM per child for 3 children's.
 - j) Gas and Electricity bill paid by the Company ₹ 5,000.
 - k) Telephone Bill paid by the Company ₹ 6,000.
 - l) He was also provided with unfurnished house by employer in a city (population 12 Lakhs). The Fair Rental Value of the house is ₹ 90,000 P.A. Employer charges ₹ 2,000 from him per month as rent.
 - m) Professional tax paid by the Company ₹ 240 PM.

PART – D

15. Case Study – (Compulsory)

Mr. Hary a Cricketer from England comes to India for 100 days. Since the Financial year 2009-10. Assuming yourself as a Tax Consultant do you consider Mr. Henry as Resident of India or not and Justify.

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