



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIFTH SEMESTER – NOVEMBER 2022

17/18UBC5MC03 – INCOME TAX - I

Date: 25-11-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Answer ALL Questions:

(10x2=20 Marks)

1. State the objectives of Taxation.
2. Mr.prem, left India for the first time on 17.12.2020 and returned back to India on 5th Feb.2021. Identify his residential status for the A/Y 2021022.
3. Explain the term Gratuity, Arrears of salary.
4. Compute taxable HRA of Mr.Raghu who is working in Trichy. Basic salary Rs.3,000 p.m. HRA Rs.700 p.m. (Rent paid Rs.400 p.m)
5. What is Recognised provident fund?
6. Explain any three tax free perquisites.
7. Compute expected rental value from the following:
MVR –Rs.1,08,000
FRV – Rs.1,20,000
Standard Rent Rs.1,02,000
8. Write a note on self occupied property.
9. Define ‘Capital asset’
10. Write short note on cost of acquisition.

Part-B

Answer any FOUR questions

(4x10=40 Marks)

11. From the following particulars of Mr.Balaraman ascertain his total income assuming that he is resident, not ordinarily resident and non-resident.
 1. Royalty from the government of India Rs.1,00,000
 2. Income from business in Sri Lanka, but controlled from ChennaiRs.40,000
 3. Income from business in Saudi controlled from Chennai Rs.25,000
 4. Income from agriculture in Pakistan Rs.10,000
 5. Income accrued in china but received in India Rs.15,000

12. Mr. Sundar, an employee of Reliance Power, has furnished the following particulars relating to P.Y. 2019-20

Basic pay	12,000 p.m
D.A [75% forms part of retirement benefits]	6,000 p.m
CCA	3,000 p.m
Commission On turnover at 2%	20,000 p.a
Commission On purchase at 1%	10,000 p.a

He is contributing 15% of his salary towards P.F. his employer also contributes an equivalent amount towards PF. He received Rs. 3,900 as interest on PF at the rate of 13%. Compute the gross salary if the provident fund is

a) RPF b) URPF c) SPF

13. Evaluate the various deductions allowed u/s 80C

14. Mr. R constructed one house in 1981. 50% of the property is let out and 50% is occupied for his residence. The let out portion was also occupied for 2 months. The particulars are:

Municipal value of full house	5,000 p.a
Annual rent of 50% portion	4,000 p.a
Municipal tax	1,000 p.a
Ground rent	100 p.a
Repairs	900 p.a
Fire insurance premium	200 p.a
Collection charges	300 p.a
Interest on loan taken for construction	1,000 p.a

His income from all other sources amounts to Rs. 50,000. Determine his gross total income.

15. Classify the following assets into short-term and long-term capital assets.

These assets are held by Mr. X who sold them on 30-12-19

Listed shares purchased on 1-5-2019
Debentures acquired on 1-1-2019
Unlisted shares of a finance company acquired on 28-12-2018
Listed shares of a finance company acquired on 28-12-2018
House property acquired on 31-12-2017
House property purchased on 1-1-2007
Mutual fund units (Equity oriented) acquired on 1-10-2015
Investment in Govt. securities purchased on 1-11-2014
Goodwill purchased on 30-1-2007

Diamonds purchased on 1-1-2013 and gifted away to Mr.Y on 1-1-2017 Who sold them on 30-12-2019
Unlisted shares of company acquired on 1-10-2015

16. List out the items which are not included under Capital assets.

17. What are the features of salary?

Part-C

Answer any TWO Questions:

(2x20=40 Marks)

18. Mr.John is employed as an Engine Driver in Railways, he is getting Rs.7,500 p.m as basic pay, Rs.2,500 p.m as dearness pay and Rs.2,500 as dearness allowance. He received the following allowances also.

I. Rs.16,500 as running allowance

II. Rs.200 p.m per child as education allowance for the education of his two sons.

III. One of these sons is living in hostel on whom Mr.john is spending

Rs.800 p.m He is getting Rs.500 p.m as allowance to meet his sons hostel expenses.

IV. Rs. 250 p.m as city compensatory allowance.

V. Rs.400 p.m as uniform allowance whole of it is spent for official purpose.

VI. Rs.1,250 p.m as house rent allowance

Mr.john has taken a house for his residence at Coimbatore and pays

Rs.1,500 p.m as rent. He contributes 10% of his basic pay and dearness

pay to his statutory provident fund and the southern Railway also

contributes a similar amount

Compute the salary income of Mr.John for the assessment year 2022-23

19. Ms. Keerthana received a house from her father valued at Rs.50,000 during the year 1960. In 2004-05 she spent Rs.30,000 on additions to that house. The market value of house as on 1-4-2001 was Rs.1,40,000. She again spent Rs.20,000 during 2009-10 and remodeled the house. She sold the house for a consideration of Rs.50,00,000 on 15-10-2020 and paid Rs.20,000 as commission. She is not having any other house. In March 2021 she bought another house for Rs.10,00,000 and deposited Rs.25,00,000 in a capital gain account scheme.

By 15-10-23 she had withdrawn and constructed another residential unit in the house purchased in March 2021 for Rs.20,00,000. What is the chargeable capital gain for the Assessment Year 2021-22 and 2023-24? CII: For 2001-02=100; 2004-05 = 113; 2009-10 =148; 2020-21 = 301.

20. Mr.X let out a house to Mr.Y on 1-4-2001 @ Rs.3,000 p.m. for five years. After the expiry of 5 years Mr.Y refused to vacate the house. Hence Mr.X filed a suit to get the house vacated and incurred expenses of Rs.1,000 in this connection. Later on Mr.X agreed to renew the tenancy for five years w.e.f. 1.4.18 if Mr. Y pays him rent @ Rs.4,000 p.m. Y agreed to it and paid the arrears of rent from 1.4.18 to 31.3.20 on 1.6.20 Mr.X paid the following amounts during the PY: 2020-21. House tax Rs.6,000; insurance premium Rs.800, Ground rent Rs.500. find out income from house property for the AY:2021-22

21. Explain the basis of charge of income Tax
