

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



U.G. DEGREE EXAMINATION – ALLIED

FOURTH SEMESTER – NOVEMBER 2023

UCO 4402 – INTRODUCTION TO INCOME TAX

Date: 07-11-2023

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION – A

Answer ALL the Questions

(10x2=20)

1. What is previous year?
2. Who is an Assessee?
3. Mention any two casual incomes.
4. What is unrealised rent?
5. List any two fully exempted allowances under the head salary.
6. What do you mean by short term capital gains?
7. Who is a person under income tax?
8. Compute the Gross Annual value from the following information:
Actual rent ₹ 96,000 p.a Municipal rental value ₹ 80,000 p.a
Standard rent ₹ 68,000 p.a Fair rental value ₹ 76,000 p.a
9. (a) City compensatory allowance is _____ allowance.
(b) House property held for not more than _____ months are treated as short term capital assets.
10. Mr. Shankar is a citizen of India. He left to Singapore for a visit on 17th May 2022 and could not return to India till 31.03.2023. Ascertain the residential status of the assessee for the assessment year 2023-2024.

SECTION – B

Answer any FOUR questions:

(4 X 10 =

40)

11. Explain the various cannons of taxation.
12. Enumerate the items appearing under 80 C deductions in Income tax act.
13. Discuss any 10 incomes exempted under Income tax act.
14. Mr. Rahul who is engaged in business, visits Dubai very frequently and remaining days he stays in India. From particulars given below determine his residential status for the previous year -2022-23.

Previous year	Stay in India (Days)	Previous year	Stay in India (Days)
2011-12	120	2017-18	66
2012-13	190	2018-19	71
2013-14	20	2019-20	225
2014-15	87	2020-21	71
2015-16	40	2021-22	283
2016-17	30	2022-23	210

15. Mr. Lara, 36 years old is working in a private organisation. He has following incomes:

Net salary for the year 2022-23 - ₹ 7,00,000.

Income from House property - ₹ 95,000

Short term Capital gain - ₹ 2,00,000

Compute his total taxable income and tax liability for the Assessment year 2023-24.

16. Compute taxable income from other sources of Mr. Kush from the following particulars for the assessment year 2023-2024:

Director fees ₹ 5,000

Dividend from Indian company ₹7,000

Examinership remuneration ₹ 2,000

Royalty for the book ₹ 20,000

Winning from chess game ₹ 2,000

Payment received from delivering lectures ₹ 1,200

Other information:

Salary paid for the clerk for typing the book ₹ 5,000

17. Mr. Arun owns a residential house in Bangalore. From the following information, compute the amount

of capital gains for the assessment year 2023-24.

Particulars	₹
a. Cost of construction (during 2004-05)	16,00,000
b. Cost of additions and improvements (during 2007-08)	3,20,000
c. Sales consideration (Sales made on 10.10.2022)	70,00,000
d. Expenses on transfer	50,000
Cost of inflation index for 2004-05 is 113; for 2007-08 is 129; and for 2022-23 is 331.	

SECTION – C

Answer any TWO questions:

2 X 20 = 40 Marks

18. Compute total taxable income of Mr. Nandu for the assessment year 2023-2024 If he is (a) Ordinary resident (b) Not Ordinary resident

PARTICULARS	₹
Gift from a friend on his Birthday	40,000
Capital gain on sale of a house situated in Mumbai (sale consideration is received in Nepal)	3,50,000
Income from business situated in Nepal and controlled from India (40% is received in India and 60% outside India)	2,50,000
Dividend declared by an Indian company	80,000
Salary received in India for service rendered outside India	2,20,000
Interest received from the Govt. of India	7,00,000
Interest received from a foreign company outside India (on loan which is utilized for doing business outside India)	3,70,000
Royalty received in India from the government of India	2,00,000
Income earned in India	20,000

19. During the year ended 31st March, 2023 Mr. Daniel sold the following assets:

Particulars	Sale proceeds ₹
1) Shop purchased in 2005-06 (CII: 117) for ₹ 68,000	2,90,000
2) Gold Jewellery purchased in 2021-22 (CII: 317) for ₹ 3,50,000	5,60,000
3) One residential house purchased in 2007-08 (CII: 129) costing ₹ 1,80,000	10,90,000
During the year he brought a new house for his residence for ₹ 3,00,000	
Compute taxable Capital gains. Cost of inflation index for 2022-23 is 331.	

20. Mr. Gabriel, an employee of a public limited company at Chennai, received the following emoluments for the previous year 2022-23.

Particulars	₹ Per annum
Basic salary @ ₹ 30,000 p.m.	3,60,000
Dearness allowance as per terms of employment	36,000
Commission on turnover	60,000
Children education allowance received (For two children)	48,000
City compensatory allowances	48,000
Special allowance @ ₹ 2,000 p.m.	24,000
House Rent Allowance received @ ₹ 10,000 p.m.	1,20,000
Rent paid by him @ ₹ 12,000 p.m.	1,44,000
Free refreshments during the working hours	30,000
Employer company has provided free lunch for 300 days cost being ₹ 150 per day.	

Find out his Salary Income for the Assessment Year 2023-24.

21. Mr. Kevin owns two houses, particulars of which are as follows:

Particulars	I	II
Municipal Valuation	₹ 4,10,000	₹ 6,00,000
Fair Rental Value	₹ 3,90,000	₹ 6,30,000
Standard Rent	₹ 4,50,000	₹ 6,20,000
Rent (if let out throughout the year)	₹ 4,80,000	-
Municipal taxes paid by Owner	₹ 5,000	₹ 8,000
Nature of occupation	Let out	Self occupied

Property I remain vacant for 2 months. He borrows ₹ 30,00,000 for construction of House I and paid Interest on loan amounting to ₹ 2,20,000. Determine the Income from house property for AY 2023-2024.

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