LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G. DEGREE EXAMINATION – **ALLIED**

FOURTH SEMESTER – **APRIL 2024**

UCO 4402 – INTRODUCTION TO INCOME TAX

Date: 22-04-2024 Dept. No. Max. : 100 Marks

Time:09:00 AM -12:00 NOON

Section A

Answer the following questions **10 x 2 = 20**

1. Who is an Assessee?
2. State the deductions available under the head income from salary.
3. What is meant by unrealised rent?
4. How is indexed cost of acquisition calculated?
5. Mention any two casual incomes.
6. What is meant by assessment year?
7. Find out the gross amount if the net amount received on winnings from lottery is ₹ 7,000.
8. Compute the taxable amount of perquisite, if free lunch was provided during office hours – ₹ 100 per day for 360 days.
9. Calculate the standard deduction available under income from house property, if Net annual value is ₹ 2,00,000.
10. Mr. Shiva purchased machinery during 2015-2016 for ₹ 5,00,000. Written down value of the machinery on 1/4/2022 is ₹ 2,00,000. He sold the machinery during 2022-2023 for ₹2,10,000. Compute capital gain.

Section B

Answer any four questions **4 x 10 =40**

11. Explain the canons of taxation.
12. Explain any two tax exemptions available on profit obtained on sale of capital assets.
13. Mr. Shankar Lal's income particulars are as under:
    i) He took a house on the rent of ₹ 1,000 per month and let it out again for ₹ 1,600 per month.
    ii) Dividend from an Indian Company ₹ 4,000 (Gross)
    iii) Speculation business profit ₹ 6,000 .
    iv) Agricultural income in Sri Lanka ₹ 10,000 was brought to India.
    v) ₹ 18,000 income from agricultural land situated at Kanpur.
    vi) ₹ 7,000 from crossword puzzles.(net).
14. Calculate taxable salary income of Mr.Durai, a Government employee in Mumbai with the following: Basic salary ₹16,000 p.m. Dearness allowance(enters) ₹6000 p.m. City compensatory allowance ₹ 1,400 p.m. Deputation allowance ₹ 400 p.m. Family allowance ₹650 p.m. Holiday trip allowance ₹ 250 p.m. House rent allowance ₹ 1,900 p.m.(₹ 2,000 p.m. paid as rent), Medical allowance ₹ 600 p.m. Conveyance allowance ₹ 500 p.m. (Actual amount spent ₹ 4,500 p.a.). Academic research allowance ₹ 1,000 p.m. (Actual amount spent ₹ 25,000p.a.).

15. From the following calculate Gross Annual Value

Particulars	House I	House II
Fair Rental Value	₹ 1,15,000	₹ 1,00,000
Municipal Value	₹ 1,05,000	₹ 1,05,000
Annual Rental Value	₹ 1,80,000	₹ 96,000
Standard Rent	₹ 1,75,000	Nil
Vacancy Period	2 months	Nil
Unrealised Rent	Nil	₹ 3,000

16. Compute total taxable income and tax liability of Mrs. Aruna aged 40 years for the assessment year 2023 -24:
Income from salary(net) - ₹5,00,000; Income from house property(computed) - ₹2,00,000
Income from other sources - ₹ 25,000. She has invested in Public provident fund ₹ 50,000 and paid tuition fees for her two children - ₹ 60,000.
17. Compute taxable capital gain from the following particulars:

Particulars	Residential house	Listed government securities
Sale Consideration	₹10,00,000	₹50,000
Fair market value on 1/4/2001	₹ 2,00,000	-
Date of acquisition	31/01/1998	20/01/2015
Cost of acquisition	₹ 1,00,000	₹ 35,000
Expenses on transfer	₹50,000	₹2,500

CII : 2001-02 : 100; 2014-15 : 240; 2022-23 : 331.

18. During the previous year 2022-23, Xavier, a foreign citizen, stayed in India for just 69 days. Determine his residential status for the assessment year 2023-2024 on the basis of the following information: (i) During 2019-20, Xavier was present in India for 366 days. (ii) During 2016-17 and 2015-16, Mr. Xavier was in Japan for 359 and 348 days respectively and for the balance period in India.

Section C

Answer any two questions **2 x 20 =40**

19. Mrs. Ram has received incomes as given below during the previous year 2022-23:
    a) Interest on saving bank account with State Bank of India ₹ 50,000 (gross).
    b) Interest from Government securities ₹ 1,00,000
    c) Interest from Tax free non-listed debentures ₹ 3,60,000 (after TDS)
    d) Interest credited to post office saving bank account during the year ₹10,000.
    e) Winnings from lottery ₹ 70,000 (net)
    f) Honorarium of ₹ 10,000 received for delivering lecture in a seminar.
    g) Interest of ₹ 5,000 received from a loan given to a relative.
    h) Royalty of ₹ 20,000 received on a book written by him.
    i) He paid ₹1,000 for typing the manuscript.
    j) Director fees ₹ 15,000
    k) Income from subletting ₹ 10,000 p.m. Rent paid by him ₹6,000 p.m.

    Compute her Total Income from other sources for AY 2023-24.
20. Mr.Senthil is the owner of four house properties, particulars in respect of which for the year ended 31/03/2023 are provided below:

Particulars	House A (Self-occupied for business)	House B (let out for residence)	House C (let out for commercial)	House D (self-occupied for residence)
Actual rent	-	₹ 10,000 p.m	₹12,000 p.m	-
Municipal tax paid	₹ 1,000 p.a	₹ 3,000 p.a	₹ 1,500 p.a	₹ 3,000 p.a
Standard rent	Nil	Nil	₹ 1,00,000 p.a	₹ 1,20,000 p.a
Municipal value	₹ 2,00,000 p.a	₹ 1,50,000 p.a	₹ 90,000 p.a	₹ 1,30,000 p.a
Fair rental value	₹ 1,80,000 p.a	₹ 1,60,000 p.a	₹ 1,00,000 p.a	₹ 1,50,000 p.a
Repairs	₹ 1,000 p.a	₹ 3,000 p.a	₹ 5,000 p.a	Nil
Interest on loan for construction of house	₹ 50,000 p.a	₹ 1,00,000 p.a	Nil	₹ 60,000 p.a

21. The following are the particulars of income of Mr.Ramesh working at Delhi (population 30,00,000) for the previous year ended on31st March2023:

    Basic Salary ₹4,500p.m.
    Dearness allowance ₹ 500 p.m.
    Bonus equal to two month's salary
    Commission on turnover ₹10,000 p.a.,
    Dog allowance ₹75p.m.
    Medical Allowance ₹60 p.m.
    Employee and employer contribution to a recognized provident fund ₹8,500 p.a.,
    Interest credited to the provident fund @ 9.5% p.a. is ₹2,800 p.a.,
    He is provided with free lunch in office. The cost per meals ₹130 per day for 300 days.
    Free unfurnished flat provided by employer at Delhi
    Professional tax paid by employer ₹ 500 p.a.

Compute the taxable income from salary of Mr.Ramesh for the assessment year 2023-24.

22. Following are the particulars of income of Mr. Ibrahim for the assessment year 2023-24:

Particulars	**Amount**
Income from business at Delhi	₹ 1,00,000
Income from house property at Lucknow	₹ 1,20,000
Past untaxed income during 2015-16 brought to India	₹ 15,000
Share of income from Partnership firm	₹ 30,000
Income from agriculture in Sri Lanka, received there	₹ 20,000
Gift from Father	₹ 60,000
Income from house property in U.K, and donated there to a notified charitable institution	₹1,50,000
Profit from business in Africa but controlled from Mumbai received Rs. 20,000 in India	₹2,00,000
Dividend from Indian company received in London	₹10,000

Compute the total taxable income for the assessment year 2023-24 if Mr. Ibrahim is
(a) Ordinarily resident, (b) Resident but not ordinarily resident (c) Non resident

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