LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

U.G. DEGREE EXAMINATION – **ALLIED OPTIONAL**

FOURTH SEMESTER – **JULY 2024**

UCO 4402 – INTRODUCTION TO INCOME TAX

Date: 13-06-2024 Dept. No. Max. : 100 Marks

Time: 10:00 AM - 01:00 PM

	SECTION A - K1 (CO1)	
	Answer ALL the Questions	**(10 x 1 = 10)**
1.	**Answer the following**	
a)	Mention any two casual incomes.	
b)	Who is an assessee?	
c)	What is standard rent?	
d)	Expand CII.	
e)	What is a Statutory Provident Fund?	
2.	**Match the following**	
a)	Dearness allowance	(i) Income from other sources
b)	Family Pension	(ii) Capital Gain
c)	Section 54	(iii) Exempted income
d)	Agricultural income	(iv) 30% of Net Annual Value
e)	Standard deduction	(v) Fully taxable
	SECTION A - K2 (CO1)	
	Answer ALL the Questions	**(10 x 1 = 10)**
3.	**True or False**	
a)	The assessment year for the financial year 2022-2023 is 2023-2024.	
b)	Ground rent is chargeable under the head income from house property.	
c)	Interest credited in recognised provident fund account is exempt upto 12%.	
d)	Capital gain is the gain which arises from the transfer of land and building only	
e)	Gift from a spouse is taxable, if the amount exceeds ₹ 50,000.	
4.	**Fill in the blanks**	
a)	Municipal tax paid by the owner is deductible from ______ annual value.	
b)	Income tax is a __________ tax.	
c)	Rent free accommodation given by the employer to the employee is a _________.	
d)	Stock in trade is not a ___________ asset.	
e)	Post office savings account interest up to ___________ is exempted.	
	SECTION B - K3 (CO2)	
Answer any TWO of the following		**(2 x 10 = 20)**

5. Mr. Ramesh has a residential house property, unit I is self occupied for residence and unit II is let out for business, rent ₹ 1,20,000, he furnishes the following information:

Particulars	Amount
Municipal value	Rs. 1,00,000
Standard rent	Rs. 1,15,000
Fair rental value	Rs. 1,20,000
Reparis	Rs. 5,000
Insurance	Rs. 9,000
Municipal taxes	Rs. 10,000
Interest on loan taken for construction paid during the year 2022-23	Rs. 40,000

Find out taxable income from house property for the assessment year 2023-2024.

6. Compute taxable income from salary of Mr. Vivek for the assessment year 2023-2024. He has been living in Madurai in a rented house paying ₹ 1,08,000

Particulars	**Amount**
Basic salary	Rs. 1,00,000
Dearness allowance (enters retirement benefit)	20% of salary
Commission on turnover	Rs. 5,000
Bonus	Rs. 8,000
City compensatory allowance	Rs. 2,000
Servant allowance	Rs. 3,000
Employer's contribution towards RPF	Rs. 15,000
Interest accrued on RPF @ 11%	Rs. 11,000
House rent allowance	Rs. 80,800

7. Mr Vignesh who is engaged in export business visits France very frequently. From the particulars given below determine the residential status for the previous year 2022-23

Year	**Stay in India**	**Year**	**Stay in India**
2011-12	350 days	2017-18	60 days
2012-13	250 days	2018-19	50 days
2013-14	300 days	2019-20	75 days
2014-15	200 days	2020-21	150 days
2015-16	56 days	2021-22	100 days
2016-17	120 days	2022-23	80 days

8. Compute taxable income and tax liability of Mr. Xavier for the assessment year 2023 -2024 from the following particulars:
Income from Salary (net)- ₹ 2,00,000
Income from house property (computed) - ₹ 30,000
Business income – ₹ 5,22,920
Income from other sources - ₹ 90,000
He contributes towards PPF ₹ 60,000 and NSC IX issue ₹ 20,000

SECTION C – K4 (CO3)

Answer any TWO of the following **(2 x 10 = 20)**

9. Explain the Canons of taxation.

10. Following are the particulars of assets sold by Mr.Anish during the previous year 2022-23. Calculate the taxable amount of capital gains for the assessment year 2023-24

Assets	**Year of Acquisition**	**Cost of Acquisition**	**F.M.V as on 1.4.1981**	**Brokerage**	**Selling Price**
Jewellery	2011-12	Rs. 50,000	N.A.	Nil	Rs. 3,00,000
Plant	2005-06	Rs. 5,00,000	N.A.	Nil	Rs. 2,50,000
House property	2001-02	Rs. 3,00,000		Rs 3,00,000	Rs. 43,00,000
Shares	2019-20	Rs. 25,000		Rs. 2,500	Rs.1,00,000
Plot	2022-23	Rs. 5,00,000		Rs. 30,000	Rs. 10,00,000
			Rs. 5,00,000		
			N.A.		
			N.A.		

WDV of plant sold – Rs. 2,00,000. CII 2001-02 : 100; 2005-06 : 117; 2011-12: 184; 2019-20: 289; 2022-2023 : 331

11. Compute total taxable income from other sources of Mrs. Lucky for the assessment year 2023-2024.

Particulars	Amount
Director fees	Rs. 5,000
Winning from TV game show (net)	Rs. 70,000
Income from undisclosed sources	Rs. 5000
Rent from subletting a house (rent paid by him ₹ 4,000 and repairs ₹ 1,000)	Rs. 20,000
Income from agriculture in Sri lanka	Rs.5000
Family pension	Rs. 21,000
7% Capital Investment bonds of Government of India	Rs. 10,000
₹20,000, 8% Goa state government loan	Rs. 1,600
Ground rent	Rs. 6,000

12. Find out the gross annual value for the assessment year 2023-24, in the case of the following properties if let out throughout the previous year:

Particulars	House 1	House 2
Municipal Value	Rs. 5,00,000	Rs. 3,00,000
Fair Rental Value	Rs. 6,00,000	Rs. 3,50,000
Standard rent	Rs. 5,10,000	Rs. 4,00,000
Annual rent	Rs. 7,20,000	Rs. 3,60,000
Unrealised rent	Rs. 20,000	3 months
Loss due to vacancy	Rs. 25,000	2 months

SECTION D – K5 (CO4)

Answer any ONE of the following **(1 x 20 = 20)**

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

Particulars	Amount
Profits made from a business in Dubai which is controlled from India (half of the profits being received in India)	Rs. 2,00,000
Income earned in India	Rs. 20,000
Received in India gift from a friend on his birthday	Rs. 60,000
Capital gain on sale of a house situated in Mumbai (sale consideration is received in Nepal)	Rs. 85,000
Dividend declared by an Indian company	Rs. 4,000
Interest received from the Government of India	Rs. 40,000
Income from property in Singapore received in Sri Lanka	Rs.30,000
Share of Income from Indian Partnership firm	Rs.5,000
Salary from an Indian company received in Dubai (one-third is paid for rendering service in India)	Rs. 2,10,000

14. Mr. Santhosh and Mr. Suresh provides the following information:-

Particulars	Mr. Santhosh	Mr. Suresh
Asset sold	Residential house property	Gold
Date of transfer	10-07-2022	30-10-2022
Date of purchase	16-11-2005	26-12-2011
Sale consideration	Rs. 25,00,000	Rs. 5,00,000
Cost of acquisition	Rs. 1,90,000	Rs. 90,000
Expenses on transfer	Rs. 1,00,000	NIL
To get the exemption the assets were purchased	Residential house property	REC Bonds

Date of Purchase	30-12-2022	20-2-2023
Cost acquisition	Rs. 12,00,000	Rs. 2,00,000

CII 2001-02 : 100; 2005-06 : 117; 2011-12: 184; 2019-20: 289; 2022-2023 : 331. Compute the capital gain chargeable to tax in the hands of the assessee for the assessment year 2023-2024.

SECTION E – K6 (CO5)

Answer any ONE of the following (1 x 20 = 20)

15. Compute taxable income from other sources of Mr. Anil for the assessment year 2023-2024

Particulars	Amount
Dividend from Indian company (gross)	Rs. 2,000
Winnings from lotteries	Rs. 15,000
Royalty from books	Rs.10,000
Gift from father	Rs.30,000
Interest on loan given to relative	Rs. 5,000
Interest on post office savings bank account	Rs. 1,500
Income from agriculture land in India	Rs. 5,000
Rent from building let out along with machinery	Rs. 10,000
Interest on income tax refund	Rs.3,000
₹63,000, 10% Tax free debentures	Rs.6,300
Salary as an M.L.A	Rs. 30,000
Daily allowance	Rs.5,000
Depreciation on machinery	Rs.2,000
Typing charges on printing the book	Rs. 1,500
Expenditure on purchase of lottery tickets	Rs.1,000
Dividend collection charges	Rs. 200

16. Mr. Rahul, Manager of a textile company at Bangalore (population 9 lakhs) submits the following particulars of his income for the financial year 2022-23.
Basic salary Rs. 18,700 p.m.
D.A. Rs. 4,000 p.m. (Rs. 1,600 p.m. enters into retirement benefit)
Commission on turnover Rs. 40,000 p.a.
Entertainment allowance Rs. 1,700 p.m.
Traveling allowance for his official tours Rs. 30,000 p.a.
Actual expenditure on tour amounted to Rs. 22,000 p.a.
Education allowance for two children (expenditure being Rs. 600 p.m.) Rs. 3,600 p.a.
Hostel expenditure allowance for one child (expenditure being Rs. 7,000 p.a.) Rs. 6,800 p.a.
Free laptop provided by employer Rs. 75,000 p.a.
Medical expenses of Mr. Rahul in a private hospital reimbursed by employer Rs. 20,000 p.a.
Free refreshment during office hours Rs. 250 p.m.
Club facility provided by employer – Rs. 5,000 p.m.
Furnished rent free accommodation provided by the employer. Cost of furniture Rs. 2,00,000
Compute taxable income from salary for the assessment year 2023-24.

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