



# LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

**B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP**

**FIFTH SEMESTER – NOVEMBER 2024**

**UBC 5501 – INCOME TAX - I**



Date: 07-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

## SECTION A - K1 (CO1)

**Answer ALL the Questions**

**(10 x 1 = 10)**

### 1. Fill in the blanks.

- Income Tax Act was passed in -----.
- An Indian company is always -----.
- Gratuity received by the Govt. employee is -----.
- A standard deduction of -----% of the net annual value is allowed as deduction u/s 24.
- A long-term capital asset except financial assets is an asset held for more than -----months.

### 2. True or False.

- The income earned from illegal business is also taxable.
- Residential status is different from citizenship.
- Interest on RPF is exempted up to 12%.
- The standard is the amount fixed under the Rent Control Act.
- Indexation benefit can be claimed on depreciable assets.

## SECTION A - K2 (CO1)

**Answer ALL the Questions**

**(10 x 1 = 10)**

### 3. Match the following.

- |    |   |   |                          |
|----|---|---|--------------------------|
| a) | Agricultural income                           | - | Sec 5                    |
| b) | Scope of total income                         | - | Up to 5,000              |
| c) | Entertainment allowance is exempted           | - | No limit                 |
| d) | Building held for 24 months                   | - | Exempted income          |
| e) | Interest on loan allowed for let out property | - | Long-term capital assets |

### 4. Definitions.

- Assessment year.
- Gross total income.
- Pension.
- Annual value.
- Capital assets.

## SECTION B - K3 (CO2)

**Answer any TWO of the following in 100 words each.**

**( 2 x 10 = 20)**

5. Venus Ltd grows to manufacture sugar. The data for the previous year 2023- 24 is as follows

Particulars	Rs.
Cost of cultivation of sugarcane	6,00,000
Market value of sugarcane when transferred to factory	10,00,000
Other manufacturing cost	6,00,000
Sale of sugar	25,00,000

	Salary of managing director who looks after all operations of the company	3,00,000
6.	From the following particulars of Mr. Antony, working at Madurai, compute his gross salary.	
	Particulars	Rs.
	Basic pay	7,500 p.m
	D.A (not forming part of salary)	4,000 p.m
	Bonus	6,000 p.a
	Commission (2% of turnover)	8,000 p.a
	Education allowance	500 p.m
	Uniform allowance (actual expenditure being 3,000)	4,000 p.a
	Conveyance allowance (actual expenditure being 800 p.m)	1,000 p.m
	Tiffen allowance	600 p.m
	CCA	2,000 p.m
	House rent allowance (actual rent paid is 3,500 p.m)	3,000 p.m
7.	Raghu Raj gets a house from his uncle under a will on 15th November, 2009, the F.M.V on 1-4-2001 being Rs. 1,25,000. His uncle had bought the house for Rs. 25,000 in the year 1962. His uncle spent Rs. 10,000 in the year 1972-73 and Rs. 15,000 in the year 1978 on its improvement. Raghu Raj also spent Rs. 5,000 on the improvement of the house on 1-10-2011. The said house is sold for Rs. 15,80,000 on 15th Oct. 2023. Find out the capital gains accruing from the sale of house. CII for 2001-02: 100; 2009-10: 148; 2011-12: 184; 2023-24: 348.	
8.	Mr. Z owns a house property at Chengalpattu. The particulars of the house are as follows:	
	Particulars	Rs.
	Municipal valuation	96,000
	Fair rent	84,000
	Municipal taxes	10,000
	Fire insurance premium	2,200 p.a
	Interest on loan borrowed for construction of the house	13,000
	The house was let out for residential purposes for 10,000 p.m. from 01.04.23 to 31.01.24 and self-occupied from 01.02.24 onwards. Compute income from house property.	
SECTION C – K4 (CO3)		
Answer any TWO of the following in 100 words each. (2 x 10 = 20)		
9.	Dr. Akash employed in U.K. was deputed to British hospital in India on 1st April 2019. On 2nd January 2020 he went to U.A.E. on 1st April 2021 he came back to India and left for Japan on 20th October. He came back to India and joined his original post on 5th January 2024. Determine the residential status of Dr. Akash for the previous year 2020-2021 to 2023-24.	
10.	Mr. Arun retired from service after rendering a period of service of 32 years and 9 months. At the time of retirement, he received 2,50,000 as leave salary from his employer. The following information is provided by the employee:	
	Particulars	Rs
	Salary at the time of retirement	10,000
	Leave availed while in service	20 months
	Average salary per month from January to November 2022	9,800
	Leave entitlement is 1 1/2 months for every completed year of services.	
	Date of retirement, 31st December 2023.	
	Compute the amount of taxable leave encashment and gross salary if Mr. Arun is a	

	1. Govt. employee.	2. Non-Govt. employee.
11.	From the following particulars, compute income from house property which consists of two independent units having 1/3rd and 2/3rd area:	
	Date of completion	01.11.2018
	Municipal rental value	90,000
	Fair rental value	1,20,000
	Self-occupied	2/3 portion
	Let out 1/3rd portion from 01.04.23 to 30.09.23 @ 9,000 p.m. and self-occupied from 01.10.23 onwards	
	Municipal taxes	9,000 p.a
	Fire insurance premium	3,000 p.a
	Ground rent	4,000 p.a
	Interest on loan	12,000
12.	Calculate capital gain from the following particulars given by Mr. Z for the previous year, if CII for 2023-24 : 348, 2011-12 : 184, 2001- 02 : 100.	
	Cost of residential house	5,40,000
	FMV as 01.04.2001	5,40,000
	Date of purchase	01.10.1999
	Date of sale	01.10.2023
	Sale value	30,00,000
	Cost of improvement	90,000
	Date of improvement	01.10.2011
	Stamp duty and legal charges	50,000
	The assessee has purchased another residential house within one year for 8,00,000.	
SECTION D – K5 (CO4)		
Answer any ONE of the following in 250 words		(1 x 20 = 20)
13.	Following are the details of income of Mr. Y for the previous year 2022-2023.	
	particulars	Rs.
	Salary received in India for service rendered in Australia	4,00,000
	House property income received in India from a property situated in Singapore (Computed).	2,00,000
	Salary received in USA for services rendered in India	5,00,000
	Rent of a house property situated in Mumbai received In Australia (Computed)	6,00,000
	Income from a business in U.K. controlled from India	10,00,000
	Income from a business in Chennai controlled from Japan	12,00,000
	Dividends from Indian company received in India	3,00,000
	Rent from property in France received there but subsequently remitted to India (Computed)	50,000
	Profits from a business received in South Africa controlled from there	1,00,000
	Profits for the year 2016-2017 of a business in Indonesia remitted to India during previous year 2023-2024.	10,000
	Compute the total income of Mr. Y for the assessment year 2024-2025 if he is:	

	1. Resident and ordinarily resident 2. Resident but not ordinarily resident 3. Non-resident.			
14.	Mr. Varun's three house property details are as follows:			
	particulars	House - I	House - II	House - III
	Rent received	60,000	40,0000	-
	Municipal valuation	45,000	28,000	15,000
	Standard rent	40,000	30,000	-
	Municipal tax	6,000	3,000	1,000
	Interest on loan against house property	17,000	19,000	6,000
	Repairs	4,000	2,000	500
	Purpose of house	Let-out	Let-out	Self-occupied
	Compute the total house property income.			
SECTION E – K6 (CO5)				
Answer any ONE of the following in 250 words				(1 x 20 = 20)
15.	From the following details compute the income of MR. A who is employed by R Ltd. For the assessment year 2024-25.			
	particulars	Rs.		
	Basic salary	1,16,000		
	DA (considered for service benefits)	28,000		
	High cost of living allowance	30,000		
	House rent allowance (actual rent paid is 60,000 in Delhi)	48,000		
	Commission (at 2% of turnover achieved by A)	18,000		
	Insurance premium paid of ICICI prudential on policy in the name of Mrs. A (sum assured 2,00,000) paid by Mr. A	44,000		
	Own life LIC premium paid	90,000		
	Deposit in PPF	70,000		
	On 10th March, 2024 R Ltd. Offers equity shares to employees at the rate of Rs. 410 per share (market price Rs. 600 per share on 10th March, 2024) Mr. A accepts the offer and as per terms of the offer applies for 500 shares on 20th March 2024 (market price on 20th March, 2024 Rs. 590 per share). Calculate the amount eligible for deduction u/s 80C.			
16.	Mr. Y shifted his industrial undertaking from the urban area of Chennai to a non-urban area near Coimbatore. For that purpose, he sold plant & machinery for 2,00,000 and land & building for 10,00,000 and furniture for 20,000 on 07.07.2023. He had purchased the above plant & machinery for 1,00,000 during 2020-21 (WDV on 01.04.2023 90,000) land & building for 3,00,000 during 2019-20 and furniture for 15,000 during 2021-22 (WDV on 01.04.2023 12,000)  On 09.02.2024 he made investment in the following assets. Plant & machinery 2,00,000, land & building 2,00,000, and furniture 30,000. Compute the taxable capital gain for the P.Y. 2023-2024. (C.I.I for 2019-20 : 289, 2020-21 : 301, 2021-22 : 317, 2023-24 : 348)			

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