



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIFTH SEMESTER – APRIL 2022

UBC 5501 – INCOME TAX - I

Date: 24-06-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

Part-A

Answer ALL questions

(10x2=20)

1. Define Assessee.
2. Write a note on Gross Total Income.
3. Mr. Aravind an Indian Citizen goes to Singapore for employment during the previous year 2020-21 on 1.09.21, he was in India from his birth during the year 1990. Identify his residential status.
4. What is determined in Residential status?
5. Write a short note on Provident Fund.
6. Mr. Abdul is employed in Arokya Ltd. Chennai. His particulars are as follows:
Basic – Rs. 12,000 p.m.; D.A – Rs. 3,000 (not forming part of salary); H.R.A. – Rs. 6,000 p.m.; (Actual rent is – Rs. 7,000 p.m.). Compute his taxable HRA.
7. From the particulars given below compute Gross Annual Value:
Municipal Rental value - Rs 40,000
Fair Rental value - Rs 42,000
Standard Rent - Rs 47,500
Rent Received - Rs 46,000
8. What is NAV?
9. Define the term 'Capital Asset'
10. State whether the following assets are short-term or long-term capital assets:
 - a. Land acquired on 1.11.2011 and sold on 15.01.21.
 - b. A residential house used for own occupation constructed on 10.03.13 and sold on 18.09.20.

Part-B

Answer any FOUR questions

(4x10=40)

11. What is agricultural income? Explain the conditions to be satisfied for an income to be treated as agricultural income.
12. (a) Mr. Muthu, a citizen of Germany, came to India for the first time on 01.05.14. He stayed here for three continuous years and left for Singapore on 01.05.17. He returned to India on 01.04.18 and went back to Germany on 01.12.18. He was posted back to India on 20.01.21. Determine his residential status for the P.Y. 2020-21.
(b). Shane Warne, an Australian cricket player, has been coming to India since 1995-96 every year to play cricket and has been staying here for about 4 months. What will be his residential status for the assessment year 2021-22?

13. Mr. Sundar an employee of Reliance Power, has furnished the following particulars relating to P.Y. 2020-21.

Particulars	Amount
Basic salary	12,000 p.m.
D.A. (75% forms part of retirement benefits)	6,000 p.m.
CCA	3,000 p.m.
Commission on turnover @ 2%	20,000 p.a.
Commission on purchase @ 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

14. Mr. Varun is a software engineer working in TCS Ltd. At Chennai. He furnished the following particulars.

Particulars	Amount
Salary	40,000 p.m.
Dearness Allowance (50% enters in service benefits)	20,000 p.m.
City Compensatory Allowance	2,000 p.m.
Bonus	40,000
House Rent Allowance (Actual rent paid by Mr. Varun Rs. 8,000)	6,000 p.m.
He is provided with a laptop costing	40,000
Marriage gift given to Mr. Varun	30,000
Medical allowance	1,500 p.m.
Medical expenses paid by the company	8,000

The company is paying insurance premium of 15,000 p.a. on Varun's life.

He is given lunch allowance of Rs. 150 per day for 300 days during the previous year 2020-21.

He contributes 18% of his salary to a Recognized Provident Fund and his employer also contributes the same. Compute his taxable salary for the P.Y. 2020-21.

15. Compute GAV in the following cases

Particulars	A	D
Municipal Value	60,000	1,12,000
Fair Rent	68,000	1,17,000
Actual Rent (per annum)	60,000	1,20,000
Standard Rent	62,000	1,15,000
Vacancy Period (in months)	1	4

16. Explain the following terms:

- a. Self-occupied house, b. Let-out house property, c. Deemed to be let out house property

17. Mr. Karan sold a residential house for Rs. 17,00,000. He paid a brokerage of 1%. He acquired this house from his father, who constructed it during 1983-84 for Rs. 1,75,000. The fair market value of the house on 1.4.01 was Rs. 2,75,000. Karan spent Rs. 40,000 for renovation during 2018-19. He negotiated to sell that house during 2018-19 itself for Rs. 13,00,000 and received Rs. 60,000 as advance money. Later that contract did not materialize and he forfeited the advance money. Compute the capital gain [C.I.I for 2001-02 : 100; 2018-19 : 280; 2020-21 : 301]

Part-C

Answer any TWO questions

(2x20=40)

18. The following are the incomes of Shri Kishore for the previous year 2020-21:

Particulars	Amount
Profits from business in Australia received in India	Rs. 15,000
Profits received from business in Chennai	Rs. 10,000
Income from House Property in U.K received in India	Rs. 10,000
Interest on Indian Government Securities received in India	Rs.1,00,000
Income from House Property in USA deposited in a bank (Computed)	Rs.1,00,000
Profits earned and received from business in Mumbai	Rs. 50,000
Profits Accrued/earned in India received in Singapore	Rs. 40,000
Income from agriculture in USA earned is entirely spent for his Daughter's education.	Rs.70,000
Interest on Foreign Government Securities received in U.K and deposited there	Rs.30,000
Profits of a business established in Hongkong, deposit in a bank there Rs. 2,00,000, the business controlled from India	
Profits of a business established in Germany and received in German from a business controlled in Germany	Rs. 4,00,000
Past untaxed foreign income brought into India during the previous year	Rs.60,000

From the above prepare the taxable income of Shri Kishore for the previous year 2020-21. If he his: (a) a Resident, (ii) a Not Ordinary Resident and (c) a Non-Resident.

19. Explain cannons of Taxation in detail.

20. Mr. Ashok an employee of Madurai (population 15 lakhs) based company provides the following particulars of his salary income.

Particulars	Amount
Basic Salary	12,000 p.m.
Profit bonus	12,000
Commission on turnover achieved by Mr. Ashok	42,000
Entertainment allowance	2,000 p.m.
Club facility	6,000 p.a.
Transport allowance	1,800 p.m.
Free use of car of more than 1.6 lt. Capacity for both personal and official purpose, expenses met by employer	
Rent free house provided by employer. Lease rent paid by employer	6,000 p.m.
Free education facility for three children of the employee: (bills issued in the name of the employer)	25,000
Gas, Electricity, Water bills issued in the name of employee but paid by employer	16,800

Compute income under the head salary for the previous year 2020-2021.

21. Explain the provision relating to Income from House Property.
