



34621

Reg. No.

--	--	--	--	--	--	--	--

VI Semester B.Com./B.Com. (TT)/B.Com. (LSCM)

Degree Examination, August/September - 2023

COMMERCE

Income Tax - II

(CBCS Scheme - 2019-20)



Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should be written in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries 2 marks.

(5×2=10)

1.
 - a. What is cost of improvement?
 - b. Define profession.
 - c. What is Additional Depreciation?
 - d. What is Net Total Income?
 - e. Briefly state the deduction U/S 80 U.
 - f. Define Intra-Head set off.
 - g. Mention any four items includible under the head income from other sources.

SECTION - B

Answer any Three questions. Each question carries 5 marks.

(3×5=15)

2. Calculate the taxable income from the following investments made by Mr. Ram for the A.Y. 2022-23.
 - a. Rs. 1,50,000 invested in 15% government securities.
 - b. Rs. 36,000 received as interest on government securities.
 - c. Rs. 18,000 received as interest on debentures of Y Ltd.
 - d. Rs. 4,00,000 invested in 9% Tax free commercial securities.
 - e. Rs. 1,800 interest on Reliance Ltd Bonds (Ignore Alternative Tax Regime).

[P.T.O.]



3. Mr. Anjan reported a profit of Rs. 3,90,000 for the P.Y. Ended at 31/3/2021 after considering the following items. Compute his taxable income from business.
- Rs. 3,000 interest on investments.
 - Rs. 34,000 expenditure paid in cash for agricultures produce where bank branch not available.
 - Rs. 20,000 provision for GST out of which Rs. 12,000 was paid before due date of filing the return.
 - Rs. 8,000 expenses paid out of India without making T.D.S in India.
 - Rs. 18,000 income from rent staff quarters. (Ignore Alternative Tax Regime).
4. Explain the term 'Transfer' under I.T. Act and mention four transactions not considered as transfer.
5. Mr. Krishna purchased a House property in 1995 for Rs. 3,40,000 and incurred improvement expenditure of 80,000/-. The F.M.V. of the house on 1/4/2001 was Rs. 5,10,000/-. Further improvement expenses incurred during PY 2004-05 was Rs. 50,000/- (C.II. 2004-05 - 113). The property was sold on 1/2/2022 for Rs. 54,00,000 and expenses on transfer 3%. Calculate capital Gains Taxable (Ignore Alternative Tax Regime).

SECTION - C

Answer any **Three** questions. Each question carries 15 marks.

(3×15=45)

6. Compute Mr. Jayaram's taxable capital Gains for the A. Y. 2022-23.
- Household furniture and fixtures costing 40,000 and purchases in 2005 November and sold in November 2021 for 82,000/-
 - Business Equipment and machinery sold for 2,25,000/- in August 2021. It was purchased in February 2003 for Rs. 3,20,000 and W.D.V. on 1/4/2021 was Rs. 1,30,000/-.
 - Personal jewellery purchased in June 2005 for Rs. 90,000 was sold in June 2021 for Rs. 13,10,000/- He has invested Rs. 9,00,000 in N.H.A.I. Bonds within the specified period.
 - Shop purchased in 2005 for Rs. 1,40,000/- sold Rs. 19,00,000 in January 2022.
 - Sold self cultivated agricultural urban land in August 2021 for Rs. 24,00,000. It was acquired in August 2001 Rs. 2,90,000/- Another agricultural land was purchased in January 2022 for Rs. 9,00,000/-
- (C.I.I. 2001-02 - 100
2004-05 - 113
2005-06 - 117
2021-22 - 317)
- (Ignore Alternative Tax Regime).



7. Compute taxable income from other sources for the A.Y. 2022-23.
- Lottery Received Rs. 2,80,000/-.
 - Cash Gift from friends Rs. 60,000/-.
 - Family pension received Rs. 60,000/-.
 - Income from dividends from a Foreign Company Rs. 35,000 (Gross) T.D.S. deducted in Foreign Country Rs. 3,500 and balance was received in India.
 - Income from royalty as an author of a book Rs. 56,000. Expenses to write the books included,
Rs. 1,000 typing charges and Rs. 3,000 books purchased.
 - He has taken a house on rent at Rs. 15,000 PM. $\frac{1}{3}$ rd of the house is sublet from 1/7/2021 at Rs. 6,000 PM. The expenses for entire house for the proportionate period was Rs. 6,000/-.
 - Building let out with plant and machinery Rs. 25,000 pm. The expenses claimed.
Depreciation : 31,000.
Repairs : 9,000.
 - Remuneration as examiner of a university Rs. 12,000. Rs. 2,000 was incurred as conveyance and was reimbursed by the university to the extent 50%.
(Ignore Alternative Tax Regime).
8. From the following Receipts and Payment Account Mr. Lawyer an advocate compute professional income for the A.Y. 2022-23 based on the information for the P.Y. ended 31/3/22.

To Bal B/o	2,00,000	By office Rent	4,00,000
To Consultation Fee	12,00,000	By Salary to Juniors	3,60,000
To Court appearance fee	60,000	By Salary to office staff	2,40,000
To Drafting charges	1,00,000	By Office expenses	1,40,000
To Arbitration fee	4,00,000	By Bar council membership	
To Amount from enquiry		fee (Membership fee)	10,000
commission	1,00,000	By Office equipment bought	
To Gift from clients	10,000	on 1/1/2022	2,00,000
To Bank interest	10,000	By Car expenses	80,000
		By Prof. books on 1/7/2021	3,00,000
		By Loan Rep.	1,80,000
		By Bal c/d	1,70,000
	<u>20,80,000</u>		<u>20,80,000</u>

**Other Information :**

1. $\frac{1}{3}$ of car is used for domestic purpose.

2. Annual depreciation on :

Car : 20,000

Equipment : 30,000

Books : 1,20,000

(Ignore Alternative Tax Regime).

9. Compute total taxable income of Mr. Mukund for the AY. 2022-23 (Ignore Alternative Tax Regime).

a. Salary (computed) Rs. 30,00,000/-.

b. Income from house property (computed) 2,10,000.

c. Income from Horse Race Rs. 1,40,000 (Net).

d. Gross dividends Rs. 20,000/-.

e. Interest on S.B. Accounts Rs. 16,000/-.

f. Interest on loan to friend Rs. 3,000/-.

Other information :

i. LIP on self policy 18,000/-.

ii. LIP on dependent father who is a senior citizen Rs. 10,000/-.

iii. SPF contribution Rs. 20,000/-.

iv. Amount contribution for pension fund under NPS :

Employee : 28,000.

Employer : 22,000

v. Interest on loan taken for son's higher education Rs. 18,000/-.

vi. Donation to notified institutions Rs. 12,000 (Qualifying amount).

vii. Mediclaim premium.

Self : 17,000/-

Father : 18,000/-

(Ignore Alternative Tax Regime).
