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Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2024

(CBCSS)

M.Com.

MCM 3C 12—INCOME TAX LAW, PRACTICE AND TAX PLANNING I

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

*Answer should be written in English only.***Section A***Answer any four questions.**Each question carries 2 weightage.*

1. What is TCS, in income tax law ?
2. What is PAN ?
3. What is a belated return ?
4. What is meant by set off, under income tax law ?
5. What is meant by relief, under income tax law ?
6. What do you understand by the term indexed cost of acquisition ?
7. Mr. A manufactures latex from the rubber plants grown by him in India. These are then sold in the market for Rs. 50 lacs. The cost of growing rubber plants is Rs. 20 lacs and that of manufacturing latex is Rs. 10 lacs. Compute his total income.

(4 × 2 = 8 weightage)

Section B*Answer any four questions.**Each question carries 3 weightage.*

8. What are the Computer applications in tax management ?
9. Mr. Goyal has one factory building along with machines and furniture in Mumbai which has been let out @ Rs. 50,000 p.m. Repair charges of the building is Rs. 7,000 and that of furniture fixtures

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are Rs. 4,000, insurance premium paid Rs. 3,000 and depreciation is Rs. 21,000. Compute income under the head other sources.

10. Mr. Dixita has 1,000 10% Debentures of DD Ltd. acquired on 15/04/2023 for Rs. 20,000. On 01/02/2024, she sold such asset for Rs. 1,25,500. Brokerage @ 2% of sale value was paid. Compute capital gain for AY 2024-25.
11. Mr. X is the owner of three houses, which are all let out and not governed by the Rent Control Act. From the following particulars find out the gross annual value in each case:

Particulars	House I	House II	House III
Municipal Value	30,000	26,000	35,000
Actual (De Facto) Rent	40,000	30,000	32,000
Fair Rent	36,000	28,000	30,000
Standard Rent	30,000	35,000	36,000

12. ABC Ltd. provided the following perquisites to its employee Srinivasan, for the FY 2023-24:
 1) Leased accommodation provided to the employee hire Charges INR 50,000 pm; recovered from employee INR 20,000 pm. 2) Accommodation was furnished and the actual hire charges paid by the employer was INR 40,50 pm. 3) He was also provided a Hyundai Santro with Chauffeur and gift Voucher worth INR 9,000. Salary for the purposes of valuation of perquisites is INR 25,000 pm. Compute the taxable value of the perquisites assuming assessee had not opted for section 115B(13) of the Income Tax Act, 1961.
13. Income of Mr. A for the previous year 2023-24 is as follows: Compute Tax Liability for the Assessment year 2024-25. Income from salary (computed) Rs. 2,50,000. Income from house property (computed) Rs. 1,25,000. Net Agricultural Income Rs. 1,00,000.
14. Anand had the following income during the previous year ended 31st March, 2024: A. Salary Received in India for three Months: Rs. 9,000. B. Income from house property in India: Rs. 13,470. C. Interest on Saving Bank Deposit in State Bank of India: Rs. 1,000. D. Amount brought into India out of the past untaxed profits earned in Germany: Rs. 20,000. E. Income from agriculture in Indonesia being invested there: Rs. 12,350. F. Income from business in Bangladesh being controlled from India: Rs. 10,150. Dividends received in Belgium from French companies out of which Rs. 2,500 were remitted to India: Rs. 23,000. You are required to compute his total income for the assessment year 2024-25 if he is: (i) A resident; (ii) A not ordinarily resident.

(4 × 3 = 12 weightage)

Section C

Answer any two questions.
Each question carries 5 weightage.

15. Which are the different types of tax returns ?
16. What are the powers of Income Tax Authorities ?
17. Mr. Ram who is a person with disability submits the following information. Compute (a) the Taxable Income ; and (b) the Tax payable for the assessment year 2024-25.

Particulars		Amounts (Rs.)
(i)	Salary (per annum)	3,00,000
(ii)	Rent received	48,000
(iii)	Dividend from Co-operative Society	1,000
(iv)	Interest on Savings Bank Deposits	18,000
(v)	Interest on government securities	1,000
(vi)	Winning from Lotteries (gross)	5,000
(vii)	NSC (VIII Issue) purchased during the year	10,000
(viii)	Deposit under PPF Scheme	30,000

He earned a long-term capital gain of Rs. 15,000 on sale of gold during the year.

18. Net profit as per profit and loss account of X is Rs. 6,86,000 for the year ending 31st March, 2024. The following information is noted from his accounts : (a) Advertisement expenditure debited to profit and loss account include the following : (i) Expenditure incurred outside India : Rs. 46,000 (permitted by RBI) ; (ii) Articles presented by way of advertisement (60 articles cost of each being Rs. 900; and 36. articles cost of each being Rs. 1,700) ; (iii) Rs 16,000 being cost of advertisement which appeared in a newspaper owned by a political party ; (iv) Rs. 11,400 being capital expenditure on advertisement ; (v) Rs. 12,000 paid in cash ; and (vi) Rs. 7,000 paid to a concern in which X has substantial interest (amount is excessive to the extent of Rs. 1,400). (b) Out of salary to employees of Rs. 8,70,000 debited to the profit and loss account : (i) Rs. 40,000 is employees' contribution to recognised provident fund, Rs. 37,500 of which is credited in the employees' account in the relevant fund before the 'due date' ; (ii) Rs. 46,000 is bonus which is paid on 13th November, 2024 ; (iii) Rs. 36,000 is commission which is paid on 1st December, 2024 ; (iv) Rs. 20,000 is incentive to workers which is paid on 10th December, 2023 ; (v) Rs. 40,000 is paid outside India in respect of

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which tax is not deducted at source ; (vi) Rs. 6,000 being capital expenditure for promoting family planning amongst employees ; and (vii) Rs. 40,000 being entertainment allowance given to employees ; (viii) Entertainment expenditure debited to profit and loss account is Rs. 9,000. Determine the net income of X for the assessment year 2024-25.

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(2 × 5 = 10 weightage)

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