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Name.....

Reg. No.....

FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2019 Admission onwards)

: Two Hours and a Half

Maximum : 80 Mark

Part A*Answer all questions.*

1. What do you mean by Total Income ?
2. Distinguish between Assesse and Deemed assesse.
3. Which are the deductions from salary allowed under Income Tax ?
4. What is meant by gratuity? How it is taxed for the government employees ?
5. How is self occupied house valued ?
6. Explain the provisions relating to additional depreciation on plant and machinery.
7. What is cost of bonus shares while calculating the capital gain ?
8. What is meant by LTCG ?
9. State any *four* situations in which gifts are not taxable.
10. How Gross Annual Value of a house property is calculated ?
11. Give any *two* allowances which are fully exempted.
12. What is meant by block of assets ?
13. What is cost of acquisition ?

14. How HRA is taxed ?
15. What are capital assets ?

(15 × 2 = 30, Maximum ceiling 25)

Part B

Answer all questions.

16. Explain Accelerated Assessment.
17. Which are the incomes from house property exempted from tax ?
18. Shri Ramesh, who was born and brought up in India, went for further studies to U.K. on 1st March, 2020 and came back to India on 1st October, 2021 early in the morning. Find out his residential status for the Current Assessment Year 2022-23.
19. Compute the annual value of the house in the following cases :

	Rs.
Municipal value	1,00,000
Fair rent	1,20,000
Standard rent	90,000
Actual rent received	1,32,000

Municipal tax 10 % of M.V. paid by owner.

20. On 1st April, 2021 the written down value of a block of assets comprising twelve machines (rate of depreciation 25 %) is Rs. 13,00,000. A new machine falling within that block is acquired on 1st November 2021 for Rs. 2,00,000. On 20th March 2022, all the twelve old machines were sold for Rs. 1,00,000 leaving only the newly acquired machine within the block. Compute the amount of depreciation. The assessee is not entitled to additional depreciation on machine.
21. From the following information compute the capital gains for the Assessment Year :

Date of purchase	May, 1997	Rs.
Cost of acquisition		1,90,000
Cost of additional construction in 2,000		10,000
Fair Market value on 1 st April, 2001		1,75,000
Cost of additional construction in 2014-15		48,000
Sale Proceeds of property in 2021-22		14,00,000
Cost inflation indices are :	2001-02 : 100, 2014-15 : 240, 2021-22 : 317.	

2. Mr Selvan retired from service on 31st December, 2021. His pension was fixed at Rs. 6,000 p.m. He commutes half of his pension and received Rs. 2,70,000. Compute the taxable amount of commuted pension, if he is a private employee who get gratuity.
3. Explain the incomes chargeable under income from other sources.

(8 × 5 = 40, Maximum ceiling 35)

Part C

Answer any two questions.

4. Mrs. X, a salaried employee in A Co. Ltd., and an Indian citizen, gets a salary of Rs. 50,000 per month. She is given a small car which she uses for her official work as well as for her personal matters. The company maintains the car fully including the driver's salary. The provident fund is also maintained by his employer which is recognised and for the year ended, the employer's contribution and the employee's contribution amounted to Rs. 80,000 each and interest is credited @ 9.5 % p.a. to Mrs. X's provident fund account.

In terms of service Mrs. X is required to entertain the clients of A Co. Ltd. and she gets an allowance of Rs. 5,000 p.m. for this purpose.

The company provides her with a rent-free unfurnished accommodation in Mumbai and pays a rent of Rs. 15,000 p.m. to the owner of such accommodation. She was provided with a gardener, for the upkeep of the garden, to whom employer paid Rs. 500 p.m.

Compute her taxable salary for the Assessment Year.

From the following information compute the annual value of the house:

	Rs.
Municipal value	... 2,00,000
Fair rent	... 1,80,000
Standard rent	... 2,50,000
Actual rent	... 30,000 p.m.

Municipal tax paid by the owner Rs. 15,000 and by the tenant Rs. 15,000.

Building remained vacant for two months during the previous year.

Unrealised rent Rs. 30,000. Conditions of Rule 4 are satisfied.

26. Mr. X acquired a plot of land on 30.6.2000 for Rs. 4,20,000. Brokerage and other incidental expenses on acquisition of plot were Rs. 1,48,500. Its fair market value on 1.4.2001 was Rs. 8,50,000. Mr. X sold the plot of land on 30.6.2021 for Rs. 55,00,000. What will be the amount of capital gain for the Assessment Year 2022-23. Can he claim a deduction for ground rent paid by him amounting to Rs. 5,000 during the period when he held the asset? Cost inflation index in 2001-02 was 100 and that in 2021-22 it was 317.

27. Explain any *ten* incomes exempted from tax.

(2 × 10 = 20 marks)