

025COM012 – F – 24 – 6743



FIFTH SEMESTER B.COM. (NEP) DEGREE EXAMINATION, FEBRUARY 2024  
**INCOME TAX LAW AND PRACTICE – I (DSC – 2)**

Time : 2 Hours]

[Max. Marks : 60

- Instructions :** 1) Answer *all* Sections according choice.  
2) Simple calculator is *allowed*.  
3) Q. No. 11 is *compulsory* (Case Study).

SECTION – A

1. Answer **any 5** of the following.

(5×2=10)

- What is Assessment ?
- When the income tax was levied in India for the first time ?
- What do you mean by perquisites ?
- State the provisions of Income Tax Act relating to employers contribution to RPF.
- How do you treat "Unrealised Rent" in computing house property income ?
- State any two professional incomes.
- How do you treat provision for doubtful debts in computing income from business ?

SECTION – B

Answer **any 4** of the following.

(4×5=20)

2. Write short note on : (**any two**)

- Income
- Agricultural income
- Previous year
- Gross total income
- Person.

[P.T.O.]



3. Jagdeesh, a American citizen, provides you the following details of his stay in India during the last 11 years.

Previous years	Stay in India (No. of days)
2012 – 13	182 days
2013 – 14	300 days
2014 – 15	210 days
2015 – 16	170 days
2016 – 17	60 days
2017 – 18	100 days
2018 – 19	80 days
2019 – 20	60 days
2020 – 21	170 days
2021 – 22	70 days
2022 – 23	95 days

Determine his 'Residential status' for the assessment year 2023 – 24.

4. Mr. Bhat an employee of Tata Company retired on March 2023 after completing service of 25 years and 8 months. He received Rs. 4,44,000 as gratuity under the Gratuity Act, 1972. His monthly salary on the date immediately preceding to the date retirement was Rs. 15,600.

Find out the gratuity exempted and taxable under the Income Tax Act.

5. Mr. Manohar is the owner of two houses. The following are the particulars of the house properties for the A.Y. 2023-24.

Particulars	House I	House II
Year of construction	2020	2015
Municipal value	20,000	24,000
Municipal tax	2,000	2,400
<b>Interest on loan :</b>		
a) For construction of house	8,000	4,000
b) For purchase of vehicle	6,200	—
Repairs	3,600	4,400
Nature of occupation	LOP	SOP

Compute his income from house property for the A.Y. 2023-24.

6. Find out the exempted HRA U/S 10(13A) in the following cases.

Particulars	Mr. X	Mr. Y
	Hubli	Delhi
Basic pay (p.m.)	30,000	40,000
D.A. (p.m.)	10,000	20,000
HRA received (p.m.)	6,000	8,000
Actual rent paid	5,000	9,000

D.A. of Mr. X of Hubli enters into retirement benefit.



SECTION – C

Answer any three of the following questions. Question No. 11 is compulsory.

(3×10=30)

- 7. Give a brief account of evolution of income tax law in India. And also mention the objectives of taxation.
- 8. Mr. Ramu is working in Tata Co. Poona having population more than 10 lakhs but less than 25 lakhs. He gives you his particulars of salary for A.Y. 2023-24.
  - a) Basic pay – Rs. 60,000 p.m.
  - b) D.A. – Rs. 20,000 p.m. (50% enters into retirement benefit).
  - c) Bonus-half months basic pay.
  - d) Education allowance for three children at Rs. 600 p.m. per child.
  - e) He was provided a house owned by the company. And furnitures worth Rs. 1,50,000 was also provided.
  - f) His contribution to RPF @ 16% of salary with an equal contribution from employer.
  - g) Interest credited to the above fund @ 15% p.a. Rs. 15,000.
  - h) He was provided a big car, which was used for both the purposes. All expenses including drivers wages are paid by the company.
  - i) Company paid his professional tax Rs. 250 p.m. and LIC premium Rs. 5,000 during the previous year.

Compute his income from salary for the A.Y. 2023-24.

- 9. Mr. D.K. Bose is the owner of two houses, the information is as under :

Particulars	H. No. I	H. No. II
Municipal value	1,50,000	1,20,000
Fair rental value	1,20,000	1,70,000
Use of house	LOP	SOP
Rent per month	15,000	—
Repairs	6,000	4,000
Painting of house	18,000	12,000
Interest on loan for repairs of house	5,000	3,000
Interest on loan for construction of house	7,000	4,000
Municipal tax @ 10% of municipal value	15,000	12,000
	(Paid by owner)	
Unrealised rent	10,000	—

The let out property remained vacant for one month. Compute income from house property for the A.Y. 2023-24.



10. From the following P&L A/c of Mr. Ravi, compute his business income for the A.Y. 2023-24.

	Rs.		Rs.
To Salary	30,000	By Gross profit	4,50,000
To Rent	10,000	By Bad debts recovered	15,000
To I. Tax	20,000	By Interest from debtors	45,000
To provision for tax	6,000	By Interest on securities	1,00,000
To Purchase of car	2,50,000	By Profit on sale of land	2,50,000
To Car expenses	10,000	By Dividend	40,000
To Sales tax	20,000	By Other income	80,000
To Interest on capital	10,000	By Winnings from lottery	2,20,000
To Publicity expenses	50,000		
To Depreciation			
On Plant – 15,000			
On Car – <u>5,000</u>	20,000		
To Net profit	7,74,000		
	<b>12,00,000</b>		<b>12,00,000</b>

**Additional Information :**

- a)  $\frac{1}{2}$  of the car expenses relates to personal use.
- b) Bad debts recovered were fully allowed in earlier years.
11. Mr. Avinash is a resident of Hubli, gives you the following details of his income for the A.Y. 2023-24.
- a) Income from business in UK – Rs. 1,50,000, of which  $\frac{1}{3}$  received in India.
- b) Income from agricultural land situated in Sri Lanka – Rs. 1,60,000.
- c) Dividend from domestic company – Rs. 75,000.
- d) Income from business in USA, controlled from Mysore ( $\frac{1}{4}$  received in India) Rs. 4,00,000.
- e) Income earned in Japan and Latter on brought into India – Rs. 1,50,000.
- f) Income from house property in Iran and deposited in a bank there – Rs. 60,000.
- g) Salary received in India – Rs. 1,00,000.
- h) Past untaxed income brought into India during the previous year – Rs. 20,000.
- Compute his Gross Total Income (GTI) for the A.Y. 2023-24, if he is a Resident, Not ordinarily resident and Non-resident.

**Case Study :**

- a) Is there any difference in GTI.
- b) If yes, give reasons.