



SIXTH SEMESTER B.COM. (CBCS) DEGREE EXAMINATION, AUG./SEPT. 2023
Paper – II : INCOME TAX – LAW AND PRACTICE – II

Time : 3 Hours]

[Max. Marks : 80

- Instructions :** 1) Answer **all** Sections according to **internal choice**.
2) **Use** of simple and non-programmable calculator is allowed.
3) Question No. **11**. Case study is **compulsory**.
4) Give working notes **wherever** is necessary.

SECTION – A

1. Answer **any ten** of the following questions : (10×2=20)
- What is capital gain ?
 - Name any two assets not included in the meaning of capital assets.
 - What do you mean by “Grossing up” ?
 - What do you mean by Gross Total Income ?
 - State the provisions U/S 57 regarding family pension.
 - What do you mean by sub-letting of house ?
 - Name any four incomes taxable under the head income from other sources.
 - What is meant by T.D.S. and state the rate of T.D.S. in case of winning from lottery during the P.Y. ?
 - What is self assessment ?
 - Who is a working partner ?
 - What is book profit ?
 - Expand CBDT and ITO.

SECTION – B

Answer **any three** of the following : (3×5=15)

2. Compute the taxable capital gain of Shri Amith for the Assessment year 2022-23.

Particulars	Jewellery
Year of acquisition	2012-13
Cost of acquisition	Rs. 1,50,000
Year of improvement	2014-15

[P.T.O.]



Cost of improvement	Rs. 18,000
Selling expenses	Rs. 5,000
Sale proceeds	Rs. 15,00,000

The cost inflation index for the year 2012-13 = Rs. 200, 2014-15 = Rs. 240 and 2021-22 = Rs. 317.

3. Smt. Kavya furnishes the following details for the previous year ended 31-3-2022.
- Interest on securities issued by Government of India Rs. 20,000.
 - Winning from lotteries (net) Rs. 14,000
 - Interest on debentures of BDK Ltd. Rs. 3,600
 - Dividend from Indian company Rs. 2,000
 - Income from non-agricultural land Rs. 6,000.
- Compute her income from other sources for the assessment year 2022-23.
4. Smt. Deepa submits the following information for the previous year 2021-22.
- Gross salary Rs. 1,40,000
 - Loss from self occupied property Rs. 40,000
 - Business loss Rs. 1,00,000
 - Income from interest from bank Rs. 50,000
 - Winning from lottery (net) Rs. 35,000.
- Compute her gross total income for the assessment year 2022-23.
5. From the following particulars of Amruth, compute the amount of deduction allowable U/S-80C for the assessment year 2022-23.
- | | |
|--|------------|
| Contribution to unrecognised provident fund | Rs. 16,000 |
| National savings certificate purchase (VIII issue) | Rs. 10,000 |
| Life insurance premium on own life | Rs. 70,000 |
| Life insurance premium daughter's life | Rs. 40,000 |
| Repayment of housing loan | Rs. 12,000 |
6. Explain in brief the powers of income tax officer.

SECTION – C

Question No. 11 is **compulsory**. Answer **any two** of the remaining. (3×15=45)

7. From the following information furnished by Mr. Amar, compute his capital gains for the assessment year 2022-23.

Particulars	Residential House (Rs.)	Jewellery (Rs.)	Non-listed Shares (Rs.)
Cost of acquisition	10,00,000	12,00,000	2,00,000
Year of acquisition	1972-1973	1969-1970	2012-2013
Cost of additions	2,00,000	2,00,000	1,10,000
Year of additions	1977-1978	1979-1980	2013-2014



Cost of improvement	1,48,000		
Year of improvement	2009-2010	68,500	-
Selling expenses	20,000		-
Sale proceeds	51,41,000		5,000
Year of sale	2021-2022	39,96,500	6,30,500
The fair market value of house property and jewellery on 1-4-2001 was		2021-2022	2021-2022

Rs. 12,00,000 and Rs. 14,00,000 respectively.

He has purchased new residential house costing Rs. 6,00,000 on 3-02-2022. The cost inflation index were

2001-02 = Rs. 100, 2008-09 = Rs. 137, 2009-10 = Rs. 148, 2012-13 = Rs. 200, 2013-14 = Rs. 220, and 2021-2022 = Rs. 317.

8. From the following incomes received by Mr. Vikas for the previous year ended 31-03-2022, compute his income from other sources.

- 1) Director's fees from a company Rs. 20,000
 - 2) Interest on bank term deposits Rs. 3,000
 - 3) Income from undisclosed sources Rs. 24,000
 - 4) Winning from lotteries (net) Rs. 28,000
 - 5) Royalty on a book written by him Rs. 8,000
 - 6) By giving lectures in functions Rs. 5,000
 - 7) Interest on loan given to a relative Rs. 4,000
 - 8) Interest on tax-free debentures of a company (net) (listed) Rs. 10,800
 - 9) Dividend from co-operative society Rs. 16,000
 - 10) Interest on post-office SB A/c Rs. 1,000
 - 11) Interest on Central Govt. Securities Rs. 4,400.
- He paid Rs. 200 for collection of dividend and Rs. 1,000 for typing of the manuscript of the book written by him.

9. Income of Vinayak for previous year 2021-2022 is as follows :

	Rs.
Gross salary	2,90,000
Income from L.O.P.	1,00,000
Loss from SOP (-)	50,000
Loss from speculation (-)	45,000
Income from business (before depreciation)	3,00,000
Income from capital gain	70,000
Current year depreciation	1,00,000
Stake money received	80,000
Loss from owning and maintaining horse race (-)	60,000



He wants to adjust the following brought forward losses and expenses.
Loss on non-speculative business for the Assessment year 2017-18
Rs. 1,00,000 unabsorbed depreciation of 2016-17 Rs. 1,00,000. Compute his
gross total income for the assessment year 2022-2023.

10. Calculate the amount of deduction allowable U/S 80C in the case of the following individuals.

Particulars	Rahim Rs.	Rama Rs.
Contribution to recognised provident fund	50,000	30,000
Life insurance premium paid	15,000	5,000
Purchase of national savings certificates (viii issue)	45,000	20,000
Repayment of housing loan	40,000	15,000
Contribution to public provident fund	60,000	30,000
Subscription to approved units of mutual fund	10,000	8,000
Tuition fee paid	15,000	12,000

11. Case study (**compulsory**) :

Mr. Vinay an individual, is working in a college at Dharwad as a lecturer. Details of his income for the previous year ending 31-3-2022 are as follows.

- Basic salary Rs. 32,000 per month
- Dearness allowance Rs. 6,000 per month (enters into retirement benefits)
- House rent allowance received Rs. 3,300 per month (rent paid by him Rs. 4,600 per month)
- Conveyance allowance Rs. 200 per month
- Royalty received from the publication of a book Rs. 22,000 (expenses of book writing Rs. 12,000)
- Remuneration from examination work Rs. 9,100 (including daily allowance of Rs. 8,000)
- Life insurance premium paid
 - On his own life Rs. 16,000 (sum assured Rs. 1,80,000)
 - On the life of his married daughter Rs. 10,000
 - On the life of his dependent brother Rs. 12,000.
- National savings certificates (viii) issue purchased Rs. 18,000
 - Tuition fees of his son Rs. 12,000
- Donation paid to an approved charitable institution Rs. 2,000
- Profession tax paid Rs. 2,400 during the year.

Questions :

- Compute the total income for the assessment year 2022-23
- Give your advice if
 - He does not opt. to be taxed under Section 115 BAC.
 - He opts to be taxed under Section 115 BAC.