

Reg. No.....

Name.....

B. COM. DEGREE END SEMESTER EXAMINATION - MARCH 2023**SEMESTER – 6: (OPTIONAL COURSE FOR FINANCE & TAXATION)****COURSE: 19U6OPCFT4 – INCOME TAX ASSESSMENT AND PROCEDURE***(For Regular 2020 Admission and Supplementary 2019 Admission)*

Time: Three Hours

Max Marks: 75

SECTION – A***Answer all questions. Each question carries 2 marks.***

1. Define Total Income.
2. What do you mean by clubbing of income?
3. What is TDS?
4. Briefly mention the procedure of carry forward of short term and long term capital loss?
5. Mention the deduction procedure under Section 80 CCC
6. What is meant by ex-interest transaction of securities?
7. Write any two deductions allowable under Income from other sources.
8. What is compulsory return?
9. What do you mean CBDT?
10. Who is an Assessing Officer? (2 x 10 = 20)

SECTION – B***Answer any five questions. Each question carries 5 marks.***

11. The following information relate to the income of Mr. Rahul during the year 2021-22

	₹
1. Agricultural income from Nicobar Islands	50,000
2. Amount received from sub-letting half of his rented residential house (municipal taxes paid for the house ₹ 2,000)	10,000
3. Dividend from an Indian company engaged in agricultural activities	11,40,000
4. Dividend from an Indian company engaged in non-agricultural activities	60,000
5. Dividend from a foreign company	2,00,000
6. Income from consultancy services	1,00,000
7. Income from a stone quarry in Maharashtra (expenses in connection with stone extraction ₹ 1,10,000)	1,50,000
8. Agricultural income from Sri Lanka.	1,00,000

**Compute taxable income under the head 'Income from other sources'
for the year ended 31st March 2022.**

12. Mr. Raghav gives the following details of his income during the year 2021-22.

	₹
1) Taxable income from profession	23,50,000
2) Part-time salary from a hospital	6,00,000
3) Dividend from Mutual Fund (bank collection charges ₹200)	50,000
4) Dividend from an Australian company (after TDS ₹15,000)	35,000
5) Directors' fee received from abroad	25,000
6) Royalty from a quarry in Mangalore	1,00,000
7) Rent received by sub-letting a house (the house was hired on a monthly rent of ₹1,000)	24,000

He claims the following deductions:

	₹
1) Quarry expenses	25,000
2) Loss on card games	10,000
3) Tax on employment paid during the year	3,000
4) Tips given to police in connection with quarrying	5,000

Compute gross total income of Mr. Raghav for the year 2021-22.

13. Describe the Power to Call for Information of Income Tax authorities under Sec 133.
14. Explain the Situations where gift is not taxable.
15. Business income of Mr. X during the financial year 2021-22 was ₹5,00,000 while Mrs. X had income from profession ₹1,90,000 during the same period. They have two minor children A and B. Income of A and B from stage shows are ₹60,000 and ₹70,000, respectively. Besides, interest on company deposits of A and B (deposit was made out of income from acting) during the year was ₹30,000 and ₹1,000 respectively. A and B have received the following gifts
On 20 May 2021 gift received by B from his grand father ₹80,000,
On 14th September 2021 gift received by A ₹60,000 from Mr. X's friend and ₹35,000 from maternal uncle. **Find out the income of Mr. X, Mrs. X, A and B for the year 2021-22**
16. From the following information of Ms. Maya, **compute the gross total income for the year**

	₹
1. Income from house property	1,50,000
2. Business loss	60,000
3. Current year's depreciation	10,000
4. Business loss of preceding years	50,000
5. Unabsorbed depreciation of preceding years	30,000
6. Short-term capital loss	40,000
7. Long-term capital gains	50,000

17. Explain the situations where PAN is compulsory (5 x 5 = 25)

SECTION – C

Answer any three questions. Each question carries 10 marks.

18. Following are the incomes of Sri. Muralidharan for the previous year 2021-22

1.	Basic pay per month	11,000
2.	D.A. per month	3,000
3.	Interest received from Canara Bank on FD	12,000
4.	Interest on Government securities	15,000
5.	Dividend from a co-operative society	23,000
6.	Dividend from UTI	2,000
7.	Profit from poultry farm	92,000
8.	Interest on capital from partnership firm @ 15%	1,20,000
9.	Share of profit from H.U.F	1,15,000
10.	He sold his house on 25.10.2021 for ₹3,59,220. He had purchased the house in 1978 for ₹22,000. Its FMV as on 1.4.2001 was ₹1,06,000.	
11.	He sold 200 equity shares of a listed company on 8.11.2021 through a recognised stock exchange for ₹45,900. He had acquired the shares in July 2002 for ₹15,000. The Fair Market Value of the shares on 31.1.2018 was ₹30,000.	
12.	He purchased NSC IX issue for ₹10,000.	

Compute the total income

19. The following are the income received by Sri. Mukesh for the P.Y. 2021-22:

Basic salary	24,000 p.m.	
D.A.	50% of Basic pay	
C.C.A.	10% of Basic pay	
		₹
Income from house property (computed)		98,000
Interest on tax-free debentures		81,000
Dividend from a co-operative society		14,000
Business income (before providing for doubtful debts 16,000)		2,48,000
Interest on fixed deposits (gross)		1,30,000
Interest on S.B. A/C		16,000

He made the following payments during the previous year:

(1) Employment tax	4,000
(2) Donation to J.N.U. (University of eminence)	40,000
(3) Subscription to P.P.F.	40,000
(4) Contribution to an unrecognised P.F.	24,000
(5) Contribution to ULIP	36,000
(6) Term deposit for 5 years with a scheduled bank 1,00,000 under tax saver scheme	

Compute his total income and total tax liability.

20. Dr. Reddy is a professor in a college and he submits before you the following details of his income during the year ended 31.03.2022
- 1) Royalty income from books published ₹2,00,000. He claims the following deductions from this amount:
 - a) Salary to a clerk who assisted him in the works associated with the book ₹60,000
 - b) Purchased books (annual publications) worth ₹5,000 in connection with the preparation of the books.
 - c) Telephone expenses ₹12,000 attributed to the publication of the book.
 - 2) Income from articles published in journals ₹25,000
 - 3) He received ₹2,500 per lecture delivered at various colleges. During the year he delivered 8 such lectures. (car expenses incurred for lectures ₹8,000)
 - 4) Examinership fee ₹15,000
 - 5) Winnings from card games and betting ₹6,500, winnings from chess ₹ 5,000.
 - 6) During the year he received interest on US Government bonds ₹5,000, interest on debentures from a limited company not listed ₹18,000 and dividend from a listed company engaged in tea manufacturing ₹40,000 (60% of the income of the company is agricultural)
 - 7) He has fixed deposit of ₹1,00,000 carrying 8% interest, with Allahabad bank.

Compute income from other sources for the assessment year 2022-23.

21. Mr. James has the following investments during the year 2021-22.
- a) ₹4,00,000, 10% tax free debentures of a company listed in National Stock Exchange
 - b) ₹1,60,000, 9% tax free commercial securities.
 - c) ₹20,000, 9% bonds of a Cochin International Airport Ltd.
 - d) ₹30,000, 10% Municipal Debentures.
 - e) ₹1,60,000, 12% debentures of a public limited company not listed. For purchasing the securities mentioned above, Mr. James took a loan of ₹1,00,000 and paid interest at the rate of 10% during the year. The bank charged 2% commission on interest realised. In addition to the above, Mr. James has received rent from let out property ₹50,000 per month (paid municipal taxes ₹20,000). Interest on loan due for the property ₹1,50,000. During the year he earned professional income of ₹20,00,000 (computed) and received ₹7,00,000 winning from Missoram State Lottery.

Compute Gross Total Income of Mr. James for the assessment year 2021-22.

22. Explain the general powers of Income Tax Authorities.

(10 x 3 = 30)
