

Reg. No

Name

22P312

M. COM DEGREE END SEMESTER EXAMINATION : OCTOBER 2022

SEMESTER 3 : COMMERCE

COURSE : 21P3COMT12 : BUSINESS TAXATION - LAW AND PRACTICE

(For Regular - 2021 Admission)

Duration : Three Hours

Max. Weights: 30

PART A

Answer any 8 questions

Weight: 1

1. How is residential status of H.U.F. determined ? (U, CO 4)
2. How deduction is allowed u/s 80IBA? (R, CO 3)
3. Who is called a representative assessee? (U, CO 1)
4. How will you treat arrears of rent received? (U, CO 2)
5. What is GST for Inter-state Sale? (U)
6. What is the tax treatment of PPF? (U, CO 2)
7. What is taxable event in case of export? (U)
8. How is 'Pension' taxed ? (U, CO 2)
9. Which are the incomes from house property totally exempt from tax? (U, CO 2)
10. Write notes on: i) Unabsorbed Depreciation, ii) Actual cost of a depreciable asset. (U, CO 2)

(1 x 8 = 8)

PART B

Answer any 6 questions

Weights: 2

11. Explain the tax free perquisites and taxable perquisites. (I)
12. Briefly explain the types of customs duty. (A)

13. From the following particulars submitted by Shri Ram Kumar, compute his income from other sources for the Assessment Year 2022-23 :

1. As Director of X Co. Ltd. he received ₹. 12,000 p.m. as salary and ₹. 1,200 p.m. as entertainment allowance. The company provides him a car for both official and personal use. The personal use is estimated to be 50%. The company incurs an expenditure of ₹. 16,000 on running and maintenance of the car (for both official and personal use) and depreciation of the car may be taken at ₹. 14,000. (U, CO 2)
2. He was also a director in another company from which he received ₹. 13,000 as director's fees.
3. Interest received on deposits with a Co-operative Bank Ltd. ₹. 2,000.
4. Dividends received from a foreign company ₹. 6,000.
5. Received winnings from lottery ₹. 24,500.
6. Income from agriculture in England ₹. 78,000.
7. Honorarium for delivering lectures in a registered society ₹. 1,200.

14. Distinguish between Capital and Revenue Expenditure. (R, CO 1)
15. Write a short note on Integrated GST. (U)
16. What is 'aggregation of income'? Explain the contexts of aggregation of income. (U, CO 3)
17. Following are the particulars of income of Mrs. Seetha for the previous year 2021-22:

1. Dividend received from an Indian company ₹. 8,950 (Net).
2. Winnings from lottery-amount received Rs. 70,000 and tax deducted at source ₹.30,000.
3. Winnings from card games ₹. 20,000.
4. Interest received on Govt. securities held as investments ₹. 10,000. (U, CO 2)
5. Family pension received ₹. 48,000. She incurred the following expenses.

- a) Interest paid on amount borrowed for purchasing shares ₹.3,000.
- b) Collection charges in respect of interest on Government securities at 2% on amount collected.
- c) Purchased lottery tickets of ₹. 100.

Compute her income from other sources for the Assessment Year 2022-23.

18. Mr. Thomas retires on 31-10-2021 from Hind Chemicals (P) Ltd. He furnishes the following particulars: Salary ₹. 5,000 p.m., Pension ₹. 3,000 p.m., D.A. forming part of basic pay ₹. 1,000 p.m., Gratuity ₹. 1,20,000, Commuted pension of 70 % ₹. 42,000 on 31-01-2022, Leave Salary ₹. 40,000. Completed years of service 20 years and 8 months. Leave availed while in service 25 months. The last increment he received was in 2021. Compute his taxable retirement benefits for the AY 2022-2023. (An, CO 2)

(2 x 6 = 12)

PART C

Answer any 2 questions

Weights: 5

19. Shri Mahesh had two houses. The first house was occupied by himself for residence. He purchased this house in 1980 for ₹. 56,000. Its fair market value on 1st April 2001, was Rs 70,000. Mahesh spent Rs 5,000 on its improvement on 10.9.2021 and sold it on 30th November, 2021 for ₹. 16,00,000. He purchased another house for his residence on 25th February, 2022 for ₹. 8,00,000. He had purchased the second house for ₹. 2,25,000 in 2012-13 and had let out for residential purpose. He sold this house on 15th June, 2021 for ₹. 16,50,000. (An, CO 2)

He had purchased some jewellery in 2012-13 for ₹. 75,000. On 22nd February, 2022 he sold this jewellery for ₹. 7,00,000 and purchased on 15th March, 2022 new jewellery of ₹. 75,000. Determine the taxable capital gains of Shri Mahesh for the Assessment Year 2022-23.

The cost inflation indices are: 2001-02 (100); 2012-13 (200); 2019-20 (289); 2021-22 (317).

20. Dr. Verma is a teacher. Following information relate for the Assessment Year 2022-23 :
- (i) Basic salary @ ₹. 12,000 p.m. (A, CO 4)
 - (ii) D. A. 45% of Salary.

- (iii) Warden ship allowance @ ₹. 400 p.m.
 - (iv) Examiner ship remuneration ₹. 3,000.
 - (v) Royalty from books for schools (computed) ₹. 22,500.
 - (vi) Gross interest on Govt. Securities ₹. 5,000.
 - (vii) Interest on tax-free debentures (gross) ₹. 3,000. Debentures are issued by a public sector company and are notified.
 - (viii) Dividend on shares of a foreign Co. ₹. 2,500.
 - (ix) Income from house property ₹. 1,10,000 (computed).
 - (x) Contribution to statutory P. F. ₹. 5,000.
 - (xi) Contribution to P.P.F. ₹. 12,000.
 - (xii) Premium paid by cheque on medical insurance policy on health of dependant father ₹. 3,000.
 - (xiii) Donation to an approved charitable institution ₹. 10,000.
- Compute his total income.

21. Mr. Goyal furnishes the following P&L a/c of his business for the year 2021-22.

P&L A/c for the Year ended 31.03.2022			
Rent of business premises	25,000	Commission from business	1,50,500
Establishment expenses	1,25,500	Agency Commission	10,000
Salary	60,000	Sundry receipts	1,32,400
Depreciation	50,000	Gross Profit	4,70,000
Office Expenses	36,000		
Travelling Expenses	20,000		
Expenditure on festival	6,000		
Loss by embezzlement by cashier	20,000		
Legal expenses	46,000		
Education expenses of son	26,000		
Sundry Expense	33,000		
Net Profit	3,15,400		
	7,62,900		7,62,900

(U, CO 2)

The following information are available.

- a. Salary includes ₹. 16,000 to an employee outside India, no tax has been deducted at source.
- b. WDV of Plant and Machinery on 1.4.2021 ₹. 1,60,000. A new machine costing ₹. 1,60,000 has been installed during November 2021. No other depreciable assets.
- c. Festival expenses include a gift of ₹. 4,000 given to a relative on her marriage.
- d. Sundry expenses include ₹. 10,000 on the maintenance of a guest house.
- e. Travelling expenses include ₹. 8,000 hotel bill of an employee who visited Mumbai in connection with the business.
- f. Legal expenses include ₹. 24,000 in connection with an Income-tax appeal.

g. Sundry receipts include ₹. 20,000 withdrawn from his public provident fund.

Compute the taxable income from business of Mr. Goyal for the Assessment year 2022-23.

22. Explain GST and how it was implemented in India.

(U)
(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	To understand the concepts, definitions, terms, objectives, provisions of residential status and exempted incomes under Income Tax Act.	U	3, 14	3
CO 2	To learn and compute income under the various heads of income	An	4, 6, 8, 9, 10, 13, 17, 18, 19, 21	21
CO 3	To understand the provisions of clubbing of income, set off and carry forward of losses and deductions allowable under Gross Total Income	E	2, 16	3
CO 4	To compute and make assessment of individuals, HUF and computation of tax liability along with agricultural income.	E	1, 20	6

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;