

M. COM DEGREE END SEMESTER EXAMINATION - OCTOBER 2024**SEMESTER 3 : COMMERCE****COURSE : 21P3COMT12 : BUSINESS TAXATION - LAW AND PRACTICE***(For Regular 2023 Admission and Supplementary 2022/ 2021 Admissions)*

Duration : Three Hours

Max. Weights: 30

PART A**Answer any 8 questions****Weight: 1**

1. What is 'transfer' for the purpose of capital gains? (U, CO 2)
 2. What tests would you apply to distinguish capital receipts from revenue receipts? (U, CO 1)
 3. What is the GST for Inter-state Sale? (U)
 4. What is Presumptive taxation? (U, CO 2)
 5. Which are the different kinds of capital assets? (U, CO 2)
 6. How deduction is allowed u/s 80E? (R, CO 3)
 7. Who is a specified employee? (R, CO 2)
 8. How will you compute tax on winnings from lotteries ? (U, CO 4)
 9. How does one file GST Return online? (U)
 10. How is 'rent free residential accommodation' valued ? (R, CO 2)
- (1 x 8 = 8)**

PART B**Answer any 6 questions****Weights: 2**

11. Sanjay, a boy of 16 years of age, has the following incomes during the year 2023-2024.

1. Interest on bank deposit	₹. 1,50,000
2. Interest on Govt, securities	₹. 1,60,000
3. Interest on debentures	₹. 80,000
4. Income from film acting	₹. 2,00,000
5. Income from concerts	₹. 1,00,000

(An, CO 3)

His father Mr. Shanker has taxable salary income ₹. 2,00,000 and his mother Mrs. Shanker has taxable income from house property ₹. 2,10,000. Determine the taxable total income of each.

12. Which are the tax free perquisites? Briefly Explain. ()
13. From the following particulars, calculate the salary income of Ms. Geetha for the AY 2022 -2023.

Salary	: 5,500 p.m	DA :	5,000 p.m
HRA	: 2,400 p.m	EA :	1,200 p.m

Ms. Geetha and her employer contribute to RPF 14% of salary. One small car is allotted to the employee both for private and official use. Expenses of car are borne by the employer. She lives in a rented house monthly rent being ₹. 3,000. Ms. Geetha is working at Meerut. (U, CO 2)
14. Mr. Ram owns house property. Its annual letting value is ₹. 80,000. During the previous year it was let-out to a tenant on a monthly rent of ₹. 7,000. He claimed the following expenses actually incurred by him: (An, CO 2)

- i. Municipal taxes ₹. 8,000.
- ii. Expenses for the recovery of rent of ₹. 600.
- iii. Maintenance Allowance paid to the stepmother ₹. 12,000 annually which was a charge on the property according to his father's will. The house remained vacant for one month during the previous year. Find out the income from house property for the Assessment Year 2024-2025.

15. Explain the term income as per Sec. 2 (24) of the Income Tax Act. (R, CO 1)

16. Briefly explain the types of customs duty. (A)

17. From the following informations compute the taxable income and net tax liability of Hindu Undivided Family for Assessment Year 2023 -2024:

	₹	
Rent received from House Property	6,000	P. m
Municipal valuation	50,000	
Local taxes	(10%)	(A, CO 4)
Income from business	2,90,000	
Short-term capital gain	15,000	
Long-term capital gain	30,000	
Dividend received from U.T.I	10,000	
Income from lottery (Gross)	50,000	

18. Following are the particulars of income of Smt. Kiran:

		₹.
(i)	Interest received on Government Securities	9,000
(ii)	Dividend received from a Foreign Company	8,000
(iii)	Amount received from winnings of lottery	66,500
(iv)	Winning from wager	25,000
(v)	Income from letting on hire the private car (Letting on hire of car is not the business of Smt. Kiran)	40,000
(vi)	Family pension (per month)	1,500

She incurred the following expenditures: (U, CO 2)

- i. Interest paid on loan taken to purchases shares and securities ₹. 7,000.
- ii. Bank commission paid @ 2% for collecting dividend and interests.
- iii. Spent ₹. 1,500 on purchasing lottery tickets.
- iv. Expenses of the private car for the period during which it was let out ₹. 12,000 (including depreciation).

Compute the income of Smt. Kiran under the head 'Income from Other Sources for the Assessment Year 2022-23.

(2 x 6 = 12)

PART C

Answer any 2 questions

Weights: 5

19. Explain GST and how it was implemented in India. (U)

20. The following particulars relate to the income of Sri Rajeev Mehta for the Previous Year 2023-2024: (An, CO 2)

He is employed in a cotton textile mill at Bengaluru on a monthly salary of ₹. 25,000. He is also entitled to a commission @ 1% of sales effected by him. The sale effected by him during the previous year amounted to ₹.40,00,000. He received the following allowances and perquisites during the previous year :

- i. Dearness pay @ ₹. 6,000 per month.
- ii. Bonus @ two months basic salary.
- iii. Entertainment allowance @ ₹. 2,000 per month.
- iv. House Rent Allowance @ ₹. 5,000 per month.
- v. The employer paid ₹. 10,000 towards the income-tax liability of Sri Rajeev Mehta.
- vi. The employer provided him L.T.C. of ₹. 35,000 for going to Simla.
- vii. He has also been provided with gas, electricity and water facility and employer spent ₹. 15,000 on these.
- viii. The employer gave him cotton worth ₹. 1, 000 free of cost.
- ix. He and his employer both contributed 15% of his salary to his recognised provident fund and interest credited to this fund @ 9% amounted to ₹. 30,000 during the previous year.
- x. He spent ₹. 6,000 per month as rent of the house occupied by him in Bengaluru.

Compute his taxable income under the head 'Salaries' for the Assessment Year 2024-2025.

21. Mr. Lal owns a big house, 50% of the floor area is let-out for residential purposes on a monthly rent of Rs. 22,500. 25% of the floor area is used by the owner for the purpose of his profession, which remaining 25% of the floor area is utilised for the purpose of his residence. Other particulars of the house are as follows:

	₹.
Municipal Valuation	6,00,000
Standard Rent	9,00,000
Municipal Taxes Paid	80,000
Repairs	30,000
Interest on Capital borrowed for repairs	3,00,000
Ground Rent	8,000
Annual Charges	10,000
Fire Insurance Premium	12,000

(An, CO 2)

Compute the taxable income from house property of Mr. Lal for the Assessment Year 2022-23.

22. From the following compute the total income of Mr. David for the Assessment Year 2024-2025:

- | | |
|---------------------------------|------------|
| a. Loss from house property | (-) 8,000 |
| b. Short-term capital gain | 95,000 |
| c. Long-term capital loss | (-) 85,000 |
| d. Interest on Govt, securities | 18,000 |

(A)

The assessee has unabsorbed depreciation of Rs. 35,000 being brought forward from 2022-2023. Assessee had closed the business and all the assets have been disposed off.

(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	2, 15	3
CO 2	To learn and compute income under the various heads of income	An	1, 4, 5, 7, 10, 13, 14, 18, 20, 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	6, 11	3
CO 4	To compute and make assessment of individuals, HUF and computation of tax liability along with agricultural income.	E	8, 17	3

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