

D 110002

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Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2024**

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. What do you mean by Casual Income ?
2. Explain Assessee in Default.
3. What are the additional conditions to determine the residential status of an individual ?
4. How will you determine the Annual Value of a property ?
5. What is meant by Standard rent ?
6. Explain the term block of assets.
7. What is cost of acquisition of assets acquired before 1.4.2001 ?
8. What is meant by STCG ?
9. What do you mean by grossing up of interest on securities ?
10. What is Annual accretion ?
11. Explain the exemption on children education allowance and hostel allowance.
12. Explain deduction with respect to preliminary expenses.
13. What is meant by slump sale ?
14. How HRA is taxed ?
15. What is meant by commutation of pension ?

(15 × 2 = 30, Maximum ceiling 25)

Turn over

Part B*Answer all questions.*

16. Explain the residential status of company.
17. What do you mean by capital asset ? List out the assets not considered as capital assets.
18. Shri Amitabh Bachchan, an Indian citizen went to America on 1st April, 2021 for a film shooting. Due to ill health, he had to stay there just after shooting. He came back to India on 25th September, 2021. He had to go again on 8th December, 2021 and returned to India on 15th February, 2022. Is Shri Amitabh Bachchan resident in India for the Assessment Year 2022-23. If not, overline why ?
19. Compute the annual value of the house in the following case :
- Expected rent Rs. 1,00,000 , House let-out @ Rs. 10,000 p.m. House tax paid by owner Rs. 9,000 (10 % of municipal value). House remains vacant for 1 month.
20. From the following figures, you are required to compute the depreciation admissible, for the plant and machinery, if any, in respect of the previous year relevant to the Assessment Year.
- | | Rs. |
|---|----------|
| Written down value at the beginning of the year | 2,50,000 |
| Additions during the year | 3,00,000 |
| Sales during the year | 6,00,000 |
21. Mr. P owns a residential house at Agra which he acquired in May 2009 for 2,96,000. He sells the house for Rs. 35,00,000 on 18th August, of the PY. He purchases a residential house at Kanpur on 14th February, of the PY for Rs. 20,00,000. Compute the amount of capital gains chargeable to tax for the Assessment Year 2022-23 The cost inflation index in 2009-10 is 148 and that of 2021-22 is 317.
22. Mr. Prakash retires in September 2021 after having put in 42 years of service in a company. His average salary for 10 months preceding September 2021 is Rs. 50,000 per month. He receives a gratuity of Rs. 12,50,000, Compute his taxable amount of gratuity.

23. Explain unrealised rent. What are the conditions to be satisfied to claim deduction in this respect ?

(8 × 5 = 40, Maximum ceiling 35)

Part C

Answer any two questions.

24. Shri Rajeev furnished the following particulars of his income for the Financial Year :

	Rs.
(a) Salary	15,000 p.m.
(b) Dearness Allowance	1,250 p.m.
(c) Entertainment Allowance	1,000 p.m.
(d) Employer's and Employee's contribution to a Recognised Provident Fund	24,000 each.
(e) Interest from Provident Fund @ 9.5 % p.a.	19,000
(f) City Compensatory Allowance	200 p.m
(g) Medical Allowance	10,000
(h) He has been provided with the facility of an unfurnished house by the employer in a town (population less than 10 lakh) for which the employer charges Rs. 500 p.m. The fair rent of the house is Rs. 30,000 per annum. The house is owned by the employer.	
(i) The employer has employed for him a sweeper @ Rs. 200 p.m., and a servant @ Rs. 750 p.m Compute the taxable income under the head 'Income from Salary' for the Assessment Year.	

25. Mr. Ram owns house property. Its annual letting value is Rs. 80,000. During the previous year it was let-out to a tenant on a monthly rent of Rs. 7,000. He claimed the following expenses actually incurred by him :

- (i) Municipal taxes Rs. 8,000.
- (ii) Expenses for the recovery of rent of Rs. 600.
- (iii) Maintenance Allowance paid to the step-mother Rs. 12,000 annually which was a charge on the property according to his father's will.

Turn over

The house remained vacant for one month during the previous year Compute the income from house property for the Assessment Year.

26. Shri Sharma sells his residential house in Mangaluru on 24th August, of the PY for Rs. 55,00,000 and incurs an expenditure of Rs. 1,00,000 in connection with the transfer Cost of acquisition of the house for him in 1998 was Rs. 1,80,000 and on 1st April, 2001 the fair market value was Rs. 8,00,000. On 16th January 2022 he deposited Rs. 20,00,000 in the Capital Gains Account Scheme. Compute the taxable capital gains for Assessment Year .The cost inflation index for 2001-02 was 100 and that in 2021-22 it was 317.
27. Explain the term transfer in computing Capital gain.

(2 × 10 = 20 marks)

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(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes**Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(Multiple Choice Questions for SDE Candidates)

1. A person follows calendar year for accounting. For taxation, he has to follow _____.
 - (A) Calendar year only 1st January to 31st December.
 - (B) Financial year only 1st April to 31st March.
 - (C) Any of the Calendar or Financial year as per his choice.
 - (D) He will follow extended year from 1st January to next 31st March (a period of 15 months).

2. Which of the following are Revenue Receipts ?
 - (A) Interest from investments.
 - (B) A claim of Rs. 1,50,000 received from Insurance Company for loss of profits.
 - (C) Annuity received from former employer.
 - (D) All of the above.

3. Which of the following is a revenue Expenditure ?
 - (A) Lumpsum payment made by an employer as a gratuity to the employee.
 - (B) Legal expenses incurred by a person in defending or maintaining his right or title to the property used for business.
 - (C) Expenditure incurred for the purchase of goods for resale.
 - (D) All of the above.

4. In continuation of the above facts given in Q. 19, determine the relevant Assessment Year for Mr. A.
 - (A) 01.04.2020 to 31.03.2021.
 - (B) 01.06.2020 to 31.03.2021.
 - (C) 01.04.2021 to 31.03.2022.
 - (D) 01.06.2021 to 31.03.2022.

5. Surcharge on Income Tax is payable by _____.
 - (A) Foreign Company.
 - (B) Individual and HUF.
 - (C) A Domestic Company.
 - (D) All of the above.

6. Health and Education Cess is not leviable in case of _____.
- (A) An Individual and HUF. (B) Indian Company.
(C) Foreign Company. (D) None of the above.
7. Income-Tax is rounded off to _____.
- (A) Nearest ten Rupees. (B) Nearest one Rupee.
(C) Nearest 5 Rupees. (D) No rounding off of tax is done.
8. An Individual is said to be a Resident and Ordinarily Resident if :
- (A) He is a Resident in any 2 out of the last 10 years preceding the relevant previous year
(B) His total stay in India in the last 7 years preceding the relevant previous year is 730 days or more
(C) Both (A) and (B).
(D) Either (A) or (B).
9. Agricultural income includes :
- (A) Cultivation. (B) Farm house building.
(C) Agricultural activities. (D) All of these.
10. Profit from tea manufacturing has been divided as :
- (A) 40 % as agricultural income and 60 % as business income.
(B) 60 % as agricultural income and 40 % as business income.
(C) 75 % as agricultural income and 25 % as business income.
(D) None of the above.
11. Gratuity received during the period of service is :
- (A) Fully taxable. (B) Partly taxable.
(C) Fully exempt. (D) Depends on agreement with employer.
12. An Employee is covered under Payment of Gratuity Act, 1972. If the Employee has completed service of 16 years 6 months and 5 days, the number of completed year shall be taken as :
- (A) 16 years. (B) 17 years.
(C) 16 years 6 months and 5 days. (D) None of these.

Turn over

13. Income from letting out of Godowns and providing warehousing services by a Company engaged in Warehousing, Handling and Transport Business would fall under the head _____.
- (A) Income from other sources. (B) Profits and Gains of Business or Profession.
(C) Income from House Property. (D) None of the above.
14. Standard Deduction u/s 24(a) is not applicable to _____.
- (A) Let out Property. (B) Deemed to be let out property.
(C) Self Occupied Property. (D) None of the above.
15. Unrealized Rent is a deduction from _____.
- (A) Actual Rent.
(B) Net Annual Value.
(C) Income from the head House Property.
(D) None of these.
16. Business has been defined :
- (A) u/s 2 (13). (B) u/s 13 (2).
(C) u/s 10 (2). (D) None of these.
17. Salary, Bonus, Commission or Remuneration due to or received by a Working Partner from the Firm is taxable under the head _____.
- (A) Salaries.
(B) Income from Other Sources.
(C) Profits and Gains of Business or Profession.
(D) None of the above.
18. Sums received by an employer from Keyman Insurance Policy taken on the life of the employee shall be _____.
- (A) Exempt.
(B) Taxable under the head Business and Profession.
(C) Taxable under the head Other Sources.
(D) Taxable in the hands of the employee.

19. STCG is a gain arising from the transfer of an asset which is held by the assessee for not more than _____.
- (A) 36 months from the date of its acquisition.
 - (B) 12 months from the date of its acquisition.
 - (C) 12 months from the date of its acquisition in case of listed shares, units, Zero coupon Bonds and any other listed securities, 24 Months in case of Unlisted shares, land and Building and not more than 36 months in case of other assets.
 - (D) None of the above.
20. Period of holding of Right Shares or any other security shall be reckoned from _____.
- (A) The date on which the right shares / any other securities are offered.
 - (B) The date on which the right shares/such securities are applied by the assessee.
 - (C) The date of allotment of right shares / such securities.
 - (D) None of the above.