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M – 1688

Reg. No. :

Name :

Fifth Semester B.Com. Degree Examination, December 2021

First Degree Programme under CBCSS

Core Course : CO 1541/CC 1542 – FUNDAMENTALS OF INCOME TAX

(2014, 2016 & 2017 Admission)

(Common for Commerce/Commerce with Computer Application)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences each. Each question carries **1** mark.

1. Define agriculture income.
2. What you mean by allowances?
3. What is short term capital asset?
4. What you mean by clubbing of income?
5. Who is assessee in default?
6. Who is a resident?
7. Define annual value.

P.T.O.

8. What is block of asset?
9. What is total income?
10. Define previous year.

(10 × 1 = 10 Marks)

SECTION – B

Answer **any eight** questions in not exceeding one paragraph each. Each question carries **2** marks.

11. What is revenue receipt?
12. List out any five incomes exempted from tax.
13. What you mean by statutory provident fund?
14. What you mean by bond washing transaction?
15. What is deemed transfer?
16. Define unabsorbed depreciation.
17. What is Maximum Marginal Rate?
18. What you mean by commuted value of pension?
19. Define 'salary'.
20. What is unrealized rent?
21. What you mean by business?
22. What is capital asset?

(8 × 2 = 16 Marks)

SECTION – C

Answer **any six** questions. Each question carries **4** marks

23. Mention the different kinds of income specifically mentioned as chargeable to tax under the head 'income from other sources'.
24. What are the deductions are allowed from the annual value in computing taxable income from the house property?
25. What are the important types of provident funds?
26. What are the expenses expressly disallowed in case of business?
27. The following are the incomes of Mr. Krishnan for the PY 2018-19.
 1. Income from agriculture in Pakistan Rs. 30,000
 2. Income from salary received in India but the services were rendered in London Rs. 12,000
 3. Income from a business carried on in India Rs. 12,000
 4. Dividend from a Domestic Company Rs. 2,000
 5. Income earned and received in Bangladesh from bank deposit there Rs. 6,000
 6. Income from business in Australia Rs. 14,000

Compute his gross total income for the Assessment Year 2019-20 if he is:

- (a) Ordinarily Resident
- (b) Not-ordinarily resident

28. Compute gross salary of Mr. X, from information given below :

Salary @ Rs. 3,500 p.m

DA @ Rs. 1,000 p.m.

CCA @ Rs. 200 p.m

House rent allowance @ Rs. 1,000 p.m.

Commission on turnover achieved by him Rs. 6,000.

He is living in rented house at Chandigarh and DA does not enters into pay for service benefits and rent paid is Rs. 1,000 p.m.

29. Compute the tax liability of Mr. B whose computed total income is Rs. 6,00,000 and net agricultural income is Rs. 60,000 for the assessment year 2019-20.

30. Explain fully exempted allowances.

31. Explain the provisions regarding carry forward and set-off of losses.

(6 × 4 = 24 Marks)

SECTION – D

Answer **any two** questions. Each carries **15** marks.

32. A company appointed Mr. Mohan in Delhi at a package of Rs. 7,00,000 p.a. The company bifurcated Rs. 7,00,000 as under for the payment of salary :

Basic salary Rs. 3,00,000

Transport allowance Rs. 19,200

Reimbursement of medical bills Rs. 15,000

Special allowance Rs. 1,44,000

HRA Rs. 1, 44,000

Employee's subscription in RPF Rs. 36,000

Employer's contribution in RPF Rs. 36,000

Deposit in approved gratuity fund Rs. 5,800

Employee paid house rent of Rs. 15,000 p.m. and professional tax Rs. 200 p.m.
Compute taxable income from salary.

33. The following are the particulars of income and loss of an individual under different heads of income. Set-off losses in the Assessment year 2019-20 and find out the net result :

| | |
|------------------------------------|------------|
| Income from house property A | Rs. 5,000 |
| Loss from house property B | Rs. 10,000 |
| Income from interest on securities | Rs. 20,000 |
| Loss from a cycle business | Rs. 20,000 |
| Profit from speculation business | Rs. 20,000 |
| Loss from short-term capital asset | Rs. 6,000 |
| Long-term capital loss | Rs. 30,000 |
| Long-term capital gain | Rs. 21,000 |

34. Mr. X is the owner of a big house consisting of 4 units. One portion is occupied by him and the remaining 3 are let-out. The following data is available for the concerned previous year 2018-19.

Compute income from house property. Loan taken for house construction Rs. 40,000 @ 10% p.a.

Municipal value (entire house) Rs. 1,00,000

Municipal taxes Rs. 10,000

Actual rent for 3 portions Rs. 1,80,000

Insurance premium Rs. 4,000

Repair and collection charges Rs. 6,789

One portion remained vacant for 1 month and another portion remained vacant for 2 months.

35. Explain clearly the deductions that are expressly allowed in computing the income from business under the India Income Tax Act. 1961.

(2 × 15 = 30 Marks)
