

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2024**(Regular/Improvement/Supplementary)****B.Com. Professional****GBCP3B10T: INCOME TAX LAW AND PRACTICE****Time: 3 hours****Maximum Marks: 80****Part A. Answer *all* the questions. Each carries *one* mark.****Choose the correct answer.**

1. Depreciation is allowed in case of:
A) Tangible assets only. B) Intangible assets only.
C) Both (a) and (b). D) None of (a) or (b).
2. Expenditure on scientific research incurred by the assessee shall be allowed if such research:
A) is related to the business of the assessee.
B) may or may not related to the business of the assessee.
C) is related to the research specified by the government.
D) None of the above.
3. The maximum deduction for entertainment allowance under section 16(ii) is
A) Rs. 5,000. B) Rs. 2,500.
C) Rs. 50,000. D) Rs. 10,000.
4. What would be the Assessment year of the financial year 2023-24?
A) 2020-21. B) 2023-24.
C) 2024-25. D) None of these.
5. Capital gain on depreciable assets will always be:
A) STCG. B) LTCG.
C) Tax free. D) None of these.

Fill in the Blanks.

6. If an asset is used for less than 180 days, depreciation is charged at _____ rate of normal rate.
7. Loss from lottery, gambling and card games can be carried forward for _____.
8. Agricultural income in India is _____.
9. Depreciation is calculated on _____.
10. Rate of depreciation on intangible asset is _____.

(10 × 1 = 10 Marks)**(PTO)**

Part B. Answer any *eight* questions. Each carries *two* marks.

11. What do you mean by clubbing of incomes?
12. What is capital asset?
13. What are the provisions relating to expenses on scientific research?
14. Point out any four deductions u/s 80C.
15. Distinguish between previous year and assessment year.
16. What is MMR?
17. What do you mean by rebate of tax?
18. What do you mean by agricultural income?
19. What is investment allowance?
20. What is Section 115 BAC?

(8 × 2 = 16 Marks)

Part C. Answer any *six* questions. Each carries *four* marks.

21. Differentiate between short term and long-term capital gain.
22. What is block of assets? What is the method of computing the W.D.V. of a block of assets?
23. Shri Ramesh has the following incomes for the Financial Year 2023-24:
 - a. Income from house property situated in London: Rs. 40,000.
 - b. Income from salary received in India for services rendered in London (computed): Rs. 28,000.
 - c. Profit from business in London controlled from India: Rs. 1,20,000.
 - d. Profit from Kanpur business: Rs. 1,10,000.
 - e. Agricultural income in India: Rs. 10,000.Compute the Gross Total Income of Shri Ramesh for the Assessment Year 2024-25, if he is:
(i) Ordinarily resident in India; (ii) Non-resident.
24. Explain the exceptions to the general rule 'income of the previous year is assessed in the assessment year.'
25. Point out any ten exempted Income Under Section 10.
26. Explain deduction u/s 80G.
27. Mrs. Prakash purchased one residential flat in 2006-07 at the cost of Rs. 1,22,000. She sold the same during the Financial Year 2023-24 for Rs. 8,00,000. She did not own any other house. Out of the sale proceeds she bought another house for Rs. 2,88,000 and invested Rs. 1,00,000 in bonds issued by NHAI within six months from the date of sale of house u/s 54EC.
Compute capital gains. Cost inflation index for 2006-07 is 122 and 2023-24 is 348.
28. Mr. John owns a house. Compute its annual value:
 - a. Municipal value: Rs. 60,000.
 - b. Fair rental value: Rs. 58,000.
 - c. Standard rent: Rs. 75,000.

- d. Monthly rent: Rs. 5,500.
- e. Vacancy: 3 months.
- f. Municipal tax: Rs. 5,600.

(6 × 4 = 24 Marks)

Part D. Answer any two questions. Each carries fifteen marks.

29. The following incomes are received by Mr. Venu during the previous year 2023-24.

- a. Income from agricultural land in Sri Lanka: Rs. 15,000.
- b. Directors Fees: Rs. 1,18,000.
- c. Ground rent: Rs. 30,000.
- d. Interest on Postal Savings Bank a/c: Rs. 3,000.
- e. Dividend from a foreign company: Rs. 27,500.
- f. Interest on deposits with I.F.C. of India: Rs. 40,000.
- g. Rent from sub-letting a house: Rs. 15,000.
- h. Rent payable by Venu for the sub-let house: Rs. 5,000.
- i. Winnings from horse-race (gross): Rs. 3,00,000.
- j. Interest on securities (gross): Rs. 4,000.

Compute income from Other Sources.

30. Mr. X furnished the following particulars of his income for the Previous Year 2023-24:

- a. Salary: Rs. 15,000 p.m.
- b. Dearness allowance: Rs. 1,250 p.m.
- c. Entertainment allowance: Rs. 1,000 p.m.
- d. Employer's and employee's contribution to a recognised Provident Fund Rs. 24,000 each.
- e. Interest from Provident Fund @ 9.5% p.a.: Rs. 19,000.
- f. City compensatory allowance: Rs. 200 p.m.
- g. Medical allowance: Rs. 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 Salaries' for the Assessment Year 2024-25.

31. Explain the procedure for computing total income of an individual.

(2 × 15 = 30 Marks)