

**FIFTH SEMESTER B.Com DEGREE EXAMINATION, NOVEMBER 2022**  
(Regular/Improvement/Supplementary)

**FINANCE & COMPUTER APPLICATION**  
**GBCM5B09T: INCOME TAX LAW AND ACCOUNTS**

Time: 2 ½ Hours

Maximum Marks: 80

**SECTION A: All Questions can be answered. Each carries 2 marks.**  
(Ceiling 25 Marks)

1. Define the term Assessment year.
2. Give an account on Accelerated Assessment.
3. What do you mean by perquisite?
4. What is De facto rent?
5. Define the term 'Profession'.
6. Comment on Zero Coupon Bond.
7. What is 'Block of Assets'?
8. Write note on Unabsorbed Depreciation.
9. Define the term Capital asset.
10. What is STCG?
11. What is meant by Indexation?
12. Provide a brief note on Municipal valuation.
13. What do you mean by 'Deemed Assessee'?
14. What are bond-washing transactions?
15. What is MMR?

**SECTION B: All Questions can be answered. Each carries 5 marks.**  
(Ceiling 35 Marks)

16. How is self-occupied house valued?
17. Distinguish between Recognized Provident Fund and Unrecognized Provident Fund.
18. Give five examples of incomes chargeable to tax under the head 'income from other sources'
19. Mr A, an American citizen leaves India, after a period of 10 years stay on 1-6-2018. During the financial year 2019-20, he was in India for a period of 46 days. Later he returned to India on 11-10-2020. Determine his residential status for the previous year 2020-21.
20. Explain the concept of deemed profits U/S 41.
21. What is 'transfer' for the purpose of capital gains?
22. Mr. Varun resides in Kanpur. He gets a basic salary of Rs.2,00,000 and Dearness Pay Rs.2,00,000 and House Rent Allowance of Rs.1,50,000 per annum. He pays a rent of Rs.1,80,000 per annum. Determine the amount of HRA chargeable to tax.
23. From the following information compute the income from house property.

	Amount
Municipal valuation	1,00,000
Fair rental value	1,40,000
Standard rent	1,20,000
Municipal taxes paid by the tenant	10,000

The house was self-occupied for four months and let out at the rate of Rs. 12,000 per month, for the remaining eight months. The assessee paid Rs.30,000 interest during the year 2020-21, on loan taken for the construction of the house.

(PTO)

**SECTION C: Answer any two questions. Each carries 10 marks.**

24. Mr. Mithara, a businessman in Patna presents the following P&L a/c.

**P&L a/c for the year ended 31.03.2021**

Particulars	Amount	Particulars	Amount
Domestic expenses	8000	Gross profit	180000
Establishment expenses	27000	Interest on Govt. bond	20000
Advertisement	1000	Commission	10000
Insurance of goods	2000		
Life insurance premium	6000		
Interest on capital	12000		
Audit fee	300		
Tax consultancy charges	2000		
Interest on loan	3500		
Bad debts	3000		
Reserve for bad debt	1000		
Entertainment allowance to employees	4000		
Net profit	140200		
	210000		210000

Considering the following, ascertain income from business for the year 2020-21.

- Depreciation allowable Rs. 15,000
- Establishment expenses include Rs.6,000 being rent for building in which he resides. Half of the building is used for business.

25. Briefly explain the exemptions available u/s 54 from capital gains.

26. What are tax free perquisites?

27. Mr. Ashok is employed in Chennai in a public limited company on annual package salary of Rs. 10,00,000. The company gives the salary as follows.

Particulars	Amount
Basic salary	7,00,000
Travelling allowance	20000
Medical allowance	20000
Special allowance	12000
House rent allowance	120000
Employee's contribution to RPF	60000
Company's contribution to RPF	60000
Deposit to approved gratuity fund	8000
Total	10,00,000

Mr. Ashok lives in a rented house paying monthly rent Rs.15,000. During the year 2020-21, he paid tax on employment Rs.2,000.

Compute income from salary for the assessment year 2021-22

**(2 × 10 = 20 Marks)**