



K24P 3173

Reg. No. :

Name :

III Semester M.Com. Degree (C.B.C.S.S. – OBE-Regular)
Examination, October 2024
(2023 Admission)
Open Elective Course
CMCOM 03001 : INCOME TAX LAW AND PRACTICE

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any five** questions in this Section. **Each** question carries **3** marks.

1. Distinguish between Direct taxes and Indirect taxes.
2. Write down the differences between the Assessment Year and the Previous Year.
3. Distinguish between Capital Receipts and Revenue Receipts.
4. Define Unabsorbed Depreciation.
5. Differentiate between Gross Total Income and Total Income.
6. What is meant by “Accelerated Assessment” ? (5×3=15)

SECTION – B

Answer **any three** questions in this Section. **Each** question carries **5** marks.

7. What are Perquisites ? Give examples of tax-free perquisites.
8. From the following information, compute the annual value of the house :

₹

Municipal value	80,000
Fair rent	1,20,000
Standard rent	1,00,000

The house was self-occupied for 4 months and then let-out @ a) ₹ 10,000 p.m.
b) ₹ 15,000 p.m. Municipal tax paid by the owner ₹ 10,000.

P.T.O.



9. X, a resident in India, aged 63 years, earned an agricultural income of ₹ 30,000 during the P.Y. 2023-24. Compute his tax liability assuming that he has non-agricultural income of ₹ 3,20,000.
10. Compute income from other sources of Mr. Ganguly for the A.Y. 2024-25.
- He received interest on deposits done in cooperative society ₹ 4,000
 - As a director of a company, he received ₹ 26,000 as director's fees
 - Received dividends from a foreign company ₹ 12,000
 - Income from agriculture in England ₹ 1,56,000
 - Received honorarium for delivering lectures in a registered society ₹ 2,400
 - Received from winnings from lottery ₹ 21,000.
11. Summarise the meaning and types of Capital Assets. (3×5=15)

SECTION – C

Answer **any three** questions in this Section. **Each** question carries **10** marks.

12. The following are the particulars of Mr. Ganesh's incomes during the Previous Year 2023-24 :

	₹
1) Agriculture income from land situated in Kanpur	23,000
2) Income from a business in Chennai, the business is managed from London	30,000
3) Income from the electronics industry in Japan, its head office situated in Japan, out of this income ₹ 50,000 brought into India	1,50,000
4) Income from a business in Iran (₹ 35,000 the income from a business which is controlled from India is included)	80,000
5) Income from agricultural land in Sri Lanka and deposited in a bank there	50,000
6) Sudhir who is a non-resident paid interest on loan provided to him for a business carried on in India	28,000

Compute his Gross Total Income for the A.Y. 2024-25, if he is :

- a) Ordinarily resident b) Not-ordinarily resident c) Non-resident



13. What is Provident Fund ? Distinguish their different types in detail.
14. Mr. Benny is a University Professor drawing annual salary of ₹ 4,60,000. He has a residential building. One unit of which is let out and the other was used by him for his residence. Rent received for the let-out portion is ₹ 2,000 p.m. He paid municipal taxes of ₹ 6,700 for this building. He received ₹ 5,000 as remuneration in connection with exam. work. He also received a royalty of ₹ 50,000 from a book written by him. He paid ₹ 3,000 p.m. towards General Provident Fund account and paid insurance premium of ₹ 18,000 for his own life. He also deposited ₹ 6,000 under National Savings Scheme VIII Issue. Compute his tax liability for the A.Y. 2024-25 under optional tax regime as per normal provisions.
15. Compute the taxable salary of Mr. Sajjan for the A.Y. 2024-25 :
- i) Salary ₹ 60,000 p.m.
 - ii) D.A. ₹ 10,000 p.m.
 - iii) Entertainment Allowance ₹ 1,000 p.m.
 - iv) Employer's contribution to RPF ₹ 88,000. His own contribution was ₹ 88,800
 - v) Interest @ 10% p.a. on credit balance of RPF amounted to ₹ 50,000
 - vi) City compensatory allowance ₹ 500 p.m.
 - vii) Medical allowance ₹ 1,200 p.m.
 - viii) He has been provided with a large car for both official and personal use. Employer bears all the car expenses.
 - ix) He is provided an unfurnished house by the employer in a city (population 12 lakh). The fair rental value of the house is ₹ 90,000 p.a. Employer charges ₹ 2,000 from him per month as rent.



16. State, giving brief reasons whether the following items are allowable under computation of profits and gains of business or profession :

- a) Donation to political party.
- b) Fees paid to lawyer for drafting a new partnership deed.
- c) Sum paid to a labour leader to call off the strike.
- d) Salary paid to son working in the office. The salary is reasonable.
- e) Rent paid to daughter for office block which was gifted to her at the time of her marriage.
- f) Bonus to partner for extra services.
- g) Interest paid to wife on money borrowed from her.
- h) Subscription for magazines paid by doctor for the benefit of his patients.

(3×10=30)