

SARASWAT VIDYALAYA'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA-GOA.
B.COM FOURTH SEMESTER END EXAMINATION JUNE, 2022

w.e.f 2018-19 CBCS

DURATION: 2 HOURS

CC 13: INCOME TAX

MAX MARKS: 80

INSTRUCTIONS:

- 1) Q.1. is compulsory
- 2) Attempt any three from Q.2 to Q.6
- 3) Each question carries 20 marks

Q.1) Answer the following: **(4 x 5 =20)**

- A.** Mr. Roy, a foreign national comes to India for the first time during 2016-17 and stayed for 182 days. During the subsequent years 2017-18, 2018-19, 2019-20 and 2020-21 his stay in India was for 182 days, 365 days, 190 days and 185 days respectively. Determine the residential status of Mr. Roy for the Assessment Year 2021-22.
- B.** Mrs. Muskan is employed in BSNL Ltd. At Mumbai. She is paid basic salary of Rs 30,000 per month. She also receives D.A. of Rs 20,000 per month (considered for all retirement benefits). She gets H.R.A. of Rs 12,000 per month. She pays rent of Rs 13,000 per month at a house in Mumbai. Find out the amount of taxable H.R.A. for the Assessment Year 2021-22.
- C.** Mr. Shantilal provides details relating to his Plant and Machinery Account (one Block of Assets) during the previous year 2020-21.
WDV of block on 1st April 2020, which entitled to depreciation @ 20% Rs.3,50,000
Purchase of Machinery A on 12th May 2020 Rs.80,000
Purchase of Machinery B on 24th November 2020 Rs.1,25,000
Sale of an old machinery on 19th March 2021 Rs.30,000
Calculate the amount of depreciation admissible for the block for the A.Y. 2021-22.
- D.** Mr. John is engaged on a business of carriage of goods. On 1st April 2020 he owned 10 trucks (6 out of which are heavy goods vehicles). On 10th May 2020 he sold one of the heavy goods vehicles. One light goods vehicle was purchased on 14th May 2020 and was put to use from 20th June 2020. Heavy goods carriage is having a gross vehicle weight of 15 tons. Determine his estimated income under section 44 AE for the Assessment Year 2021-22.

Q.2) Ms. Priya, aged 35 years working as senior manager in XYZ Ltd. suffers from disability of 65%, provides you the following information for the previous year 2020-21: **(20)**

| Particulars | Amount |
|---|--------------------------|
| Basic Salary | Rs.35,000 p.m. |
| Dearness Allowance | 50% Of Basic |
| Arrears of Salary received during the year | Rs.22,000 |
| Conveyance Allowance (Spent Rs.9000 p.a.) | Rs.10,000 p.a. |
| Bonus equal to one month Basic | |
| Children Education Allowance | Rs.150 pm for 2 Children |
| Hostel Education Allowance | Rs.400 pm for 2 Children |
| Transport Allowance | Rs.3400 p.m. |
| Professional Tax paid by employer | Rs.1500 p.a. |
| Perquisite value of accommodation provided at concessional Rent | Rs.10,600 |
| Entertainment Allowance Received | Rs.13,800 p.a. |
| Interest credited to Recognised Provident Fund @ 11% | Rs.1,10,000 |
| Compute Net Salary of Ms. Priya for the A.Y. 2021-22. | |

Q.3) The Profit & loss a/c of Mr. Vardhan for the year ended 31/03/2021 is as follows:

| Particulars | Amount | Particulars | Amount |
|------------------------------|-----------------|----------------------------|-----------------|
| To Salaries to staff | 60,000 | By Gross Profit | 1,12,000 |
| To Office Expenses | 10,000 | By Commission | 23,000 |
| To General expenses | 10,000 | By Sundry trade receipts | 25,000 |
| To Rent (25% for residence) | 10,000 | By Income tax refund | 10,000 |
| To Discounts | 5,000 | By Winnings from lotteries | 6,000 |
| To Life insurance premium | 7,500 | By Award from GCC | 25,000 |
| To Advertisement expenses | 3,000 | By Gift from wife | 9,000 |
| To Household expenses | 6,000 | | |
| To Donation | 5,000 | | |
| To Income tax | 17,500 | | |
| To Postage & stationery | 12,500 | | |
| To Fire insurance | 2,500 | | |
| To Depreciation | 10,000 | | |
| To Gifts & presents to staff | 15,000 | | |
| To Repairs to car | 6,000 | | |
| To Net Profit | 30,000 | | |
| | | | |
| | 2,10,000 | | 2,10,000 |

Additional information:

- a. Salaries to staff include Rs.10,000 paid to the self.
- b. General expenses include Rs. 1,000 paid as penalty imposed by income tax department
- c. Life insurance premium paid on the life of Mrs. Vardhan.
- d. Advertisement expenses include Rs. 2,000 incurred on advertisement in a souvenir of political party
- e. Amount of depreciation allowed as per income tax rules Rs 15,000

Compute income under the head profits and gains of business or profession for the assessment year 2021-22.

Q.4) Answer *ANY FOUR* from the following in relation to Income Tax Act **(4 x 5 =20)**

- a) Assessment
- b) Apportionment of income between spouses governed by Portuguese Civil code u/s 5A
- c) Gratuity
- d) Define Salary u/s 17
- e) Interest on borrowed capital u/s 36 (1) (iii)

Q.5) Answer *ANY FOUR* from the following in relation to Income Tax Act **(4 x 5 =20)**

- a) Gross Total Income
- b) Residential Status of a Company
- c) Leave Travel Concession u/s10(5)
- d) Perquisites
- e) General Deduction u/s 37 (1)

Q.6) Answer *ANY FOUR* from the following in relation to Income Tax Act **(4 x 5 =20)**

- a) Person u/s 2 (31)
- b) Compensation received at the time of Voluntary retirement u/s 10 (10C)
- c) Indian Income
- d) Entertainment Allowance u/s 16(ii)
- e) Rent, Rates, Taxes, Repairs and Insurance u/s 30
