

SES's SRIDORA CACULO COLLEGE OF COMMERCE & MGT. STUDIES
KHORLIM, MAPUSA-GOA.

SYBCOM FOURTH SEMESTER END EXAMINATION --- APRIL, 2023

W.E.F-2018-19 (C.B.C.S)

DURATION: -2 HOURS

SUB: - INCOME TAX

MAX MARKS: -80

Instructions:

1. All Questions carry equal marks.
2. Question NO. 1 is compulsory.
3. Answer any THREE questions from the remaining FIVE Questions.
4. Working notes should form part of the answer wherever necessary.

Q. 1 Answer the following questions:

A) Mr. Rahul who is an Indian citizen leaves India on 25th September, 2021 for the purpose of employment outside India and comes to India on 1st April, 2021. He was in India for more than 365 days during the previous year's 2017-18 to 2020-21.

What will be residential status of Mr. Rahul for the assessment year 2022-23? (5)

B) Ms. Uma is a Manager in Nisarg Ltd., in Goa. She provides the following particulars for the assessment year 2022-23:

1. Basic salary per annum Rs. 8,40,000
2. Dearness allowance per annum Rs. 5,04,000.
3. House rent allowance per annum Rs. 2,40,000.
4. She paid rent of Rs. 18,000 per month for a house in Mapusa.
5. Dearness allowance is considered for calculating all retirement benefits.

Compute the amount of House rent allowance exempt under section 10(13A). (5)

C) Sahaj Ltd. Owns two plants, Plant A and Plant B, whose written down value on 1-4-2021 was Rs. 2,37,000. The company made the following purchases during the year:

1. Plant C was purchased and put to use on 10th May 2021 –Rs. 20,000.
2. Plant D was purchased and put to use on 10th March, 2022 –Rs. 1,00,000

The company sold Plant A for Rs. 57,000 on 10th June,2021.

Compute the amount of depreciation for the assessment year 2022-23, if the rate of depreciation is 20% on the block of asset Plant. (5)

D) Mr. Ravi is engaged in the business of plying, hiring or leasing of goods carriage. Throughout the year 2021-22, he owned 7 light goods vehicles and 2 heavy goods vehicles having gross weight of 13,000 kilograms. What will be his taxable income as per the provisions of section 44AE? (5)

Q. 2 Mr. Neeley Roy aged 35 years, an employee of Smiley Ltd. suffers from disability of 85%, provides you the following information for the previous year 2021-22 (20)

Particulars	Amount-Rs.
Basic Salary	50,000 p.m.
Dearness Allowance	25,000 p.m.
Arrears of Salary received during the year	22,000
Conveyance Allowance (Spent Rs.9000)	10,000
Bonus equal to one-month Basic salary	
Children Education Allowance	150 pm for 1 Child
Hostel Education Allowance	400 pm for 1 Child
Fixed medical allowance	1,400 p.m.
Professional Tax paid by Neelay	1500
Perquisite value of accommodation provided by employer	10,600
He made the following payments during the year	
Life Insurance Premium paid on the life of self	20,000
Life Insurance Premium paid on the life of married daughter	15,000
Deposited in PPF account	Rs. 50,000
Repayment of housing Loan--- Principal amount paid	Rs.45000
Compute his taxable income and tax liability for the A.Y. 2022-23.	

Q. 3 Mr. Dheeraj provides the following Profit and Loss account of his proprietary business for the year ended 31.03.2022. (20)

Expenses / Losses	Amount-Rs.	Incomes / Gains	Amount - Rs.
To Staff salary	2,40,000	By Gross Profit	5,60,000
To Household expenses	34,000	By income tax refund	18,000
To Postage and telegram	1700	By interest on Savings account with SBI	7,600
To Purchase of computer	47,000	By winnings from lotteries	2,42,000
To General expenses	15,000		
To Income tax	25,000		
To Donations	5,000		
To Audit fees	2,800		
To VAT paid	13,100		
To Provision for Bad debts	23,000		
To Advertisement expenditure	43,000		
To Depreciation	15,000		
To Legal expenses	10,000		
To Net profit	3,53,000		
TOTAL	<u>8,27,600</u>	TOTAL	<u>8,27,600</u>

Additional information:

1. General expenses include Rs. 2,500 spent for purchase of a bicycle for his son.
2. Depreciation allowable under the Income Tax Act Rs. 30,000.
3. 50% of advertisement expenditure are incurred for advertisement in the magazine owned by a political party.
4. He paid Rs. 10,000 by cheque for health insurance for self and Rs. 10,000 for spouse.
5. He also paid Rs. 55,000 by cheque for health insurance for his resident father (senior citizen).

Compute his taxable income and tax liability for the A.Y. 2022-23.

Q.4 Write short notes on the following: (any four) (5x4= 20)

- a. Define Person.
- b. Define Gross Total Income
- c. Deduction of Entertainment allowance allowed under section 16(ii) of the Income Tax Act.
- d. General deduction allowed under section 37(2) from the Business Income.
- e. Provisions of Section 80CCC under the Income Tax Act.

Q. 5 Write short notes on the following: (any four) (5x4= 20)

- a. Provisions of Leave Travel Concession under section 10(5).
- b. Profits in lieu of salary.
- c. Basis of charge under section 15 of the Income Tax Act.
- d. Block of Assets.
- e. Provisions of Section 80E under the Income Tax Act.

Q. 6 Write short notes on the following: (any four) (5x4= 20)

- a. Compensation received at the time of Voluntary Retirement
- b. Perquisites under the head Salary Income
- c. Items of expenses specifically not allowed from Business Income.
- d. Provisions of Section 80G under the Income Tax Act.
- e. Rebate under section 87A of the Income Tax Act.

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