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Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2024**

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. What do you mean by Casual Income ?
2. Explain Assessee in Default.
3. What are the additional conditions to determine the residential status of an individual ?
4. How will you determine the Annual Value of a property ?
5. What is meant by Standard rent ?
6. Explain the term block of assets.
7. What is cost of acquisition of assets acquired before 1.4.2001 ?
8. What is meant by STCG ?
9. What do you mean by grossing up of interest on securities ?
10. What is Annual accretion ?
11. Explain the exemption on children education allowance and hostel allowance.
12. Explain deduction with respect to preliminary expenses.
13. What is meant by slump sale ?
14. How HRA is taxed ?
15. What is meant by commutation of pension ?

(15 × 2 = 30, Maximum ceiling 25)

Turn over

Part B*Answer all questions.*

16. Explain the residential status of company.
17. What do you mean by capital asset ? List out the assets not considered as capital assets.
18. Shri Amitabh Bachchan, an Indian citizen went to America on 1st April, 2021 for a film shooting. Due to ill health, he had to stay there just after shooting. He came back to India on 25th September, 2021. He had to go again on 8th December, 2021 and returned to India on 15th February, 2022. Is Shri Amitabh Bachchan resident in India for the Assessment Year 2022-23. If not, overline why ?
19. Compute the annual value of the house in the following case :
- Expected rent Rs. 1,00,000 , House let-out @ Rs. 10,000 p.m. House tax paid by owner Rs. 9,000 (10 % of municipal value). House remains vacant for 1 month.
20. From the following figures, you are required to compute the depreciation admissible, for the plant and machinery, if any, in respect of the previous year relevant to the Assessment Year.
- | | Rs. |
|---|----------|
| Written down value at the beginning of the year | 2,50,000 |
| Additions during the year | 3,00,000 |
| Sales during the year | 6,00,000 |
21. Mr. P owns a residential house at Agra which he acquired in May 2009 for 2,96,000. He sells the house for Rs. 35,00,000 on 18th August, of the PY. He purchases a residential house at Kanpur on 14th February, of the PY for Rs. 20,00,000. Compute the amount of capital gains chargeable to tax for the Assessment Year 2022-23 The cost inflation index in 2009-10 is 148 and that of 2021-22 is 317.
22. Mr. Prakash retires in September 2021 after having put in 42 years of service in a company. His average salary for 10 months preceding September 2021 is Rs. 50,000 per month. He receives a gratuity of Rs. 12,50,000, Compute his taxable amount of gratuity.

23. Explain unrealised rent. What are the conditions to be satisfied to claim deduction in this respect ?

(8 × 5 = 40, Maximum ceiling 35)

Part C

Answer any two questions.

24. Shri Rajeev furnished the following particulars of his income for the Financial Year :

	Rs.
(a) Salary	15,000 p.m.
(b) Dearness Allowance	1,250 p.m.
(c) Entertainment Allowance	1,000 p.m.
(d) Employer's and Employee's contribution to a Recognised Provident Fund	24,000 each.
(e) Interest from Provident Fund @ 9.5 % p.a.	19,000
(f) City Compensatory Allowance	200 p.m
(g) Medical Allowance	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 Salary' for the Assessment Year.	

25. Mr. Ram owns house property. Its annual letting value is Rs. 80,000. During the previous year it was let-out to a tenant on a monthly rent of Rs. 7,000. He claimed the following expenses actually incurred by him :

- (i) Municipal taxes Rs. 8,000.
- (ii) Expenses for the recovery of rent of Rs. 600.
- (iii) Maintenance Allowance paid to the step-mother Rs. 12,000 annually which was a charge on the property according to his father's will.

Turn over

The house remained vacant for one month during the previous year. Compute the income from house property for the Assessment Year.

26. Shri Sharma sells his residential house in Mangaluru on 24th August, of the PY for Rs. 55,00,000 and incurs an expenditure of Rs. 1,00,000 in connection with the transfer. Cost of acquisition of the house for him in 1998 was Rs. 1,80,000 and on 1st April, 2001 the fair market value was Rs. 8,00,000. On 16th January 2022 he deposited Rs. 20,00,000 in the Capital Gains Account Scheme. Compute the taxable capital gains for Assessment Year. The cost inflation index for 2001-02 was 100 and that in 2021-22 it was 317.
27. Explain the term transfer in computing Capital gain.

(2 × 10 = 20 marks)