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V Semester B.Com. (LSCM-BCTT) Degree Examination,

March/April - 2023

COMMERCE

Income Tax - I

(CBCS Scheme)

Paper : 5.1

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in English only.

SECTION - AAnswer any **Five** sub-questions. Each sub - question carries **2** marks. (5×2=10)

1. a) Define the term Assessee.
- b) Mention any two canons of taxation.
- c) Expand I.T.O and T.R.O.
- d) What is Reassessment?
- e) State any two incomes exempt from tax u/s 10
- f) What is vacancy allowance?
- g) Who is a deemed owner?

SECTION - BAnswer any **Three** sub questions. Each sub question carries **5** marks. (3×5=15)

2. State whether the following are capital or revenue in nature.
 - a) Annuities
 - b) Loss due to embezzlement of cash.
 - c) Commission paid to buy equipment.
 - d) Dividends and interest.
 - e) Bonus shares received by a dealer in shares.

[P.T.O.]



3. Mr. John is a foreign citizen and has stayed in India as follows:

Previous year	Presence in India
2019-20	30 Days
2020-21	32 Days
2021-22	200 Days



Determine his residential status for the assessment year 2022-23

4. Mr. Ali retired from service on 30/7/2021 and received Rs. 3,60,000 by commuting 60% of his pension. Calculate the taxable commuted value.
- If he doesn't receive gratuity
 - If he receives gratuity (Ignore Alternative Tax Regime)
5. Calculate the interest allowable in calculating NAV of a house property.

Date of Borrowing	:	1/8/2014
Date of Repayment	:	10/7/2022
Date of completion of Construction	:	August 2019
Loan Borrowed Rs. 50,000 @ 18% PA interest		

SECTION - C

Answer any **Three** questions. Each question carries **15** marks. (3×15=45)

6. Mr. Madhu Provides the following details of his income during the previous year 2021-22.
- Received Rs. 30,000 in India for income accrued in USA.
 - Rs. 8000 earned in Calcutta but received in California.
 - Rs. 20,000 earned and received in Muscat but brought into India.
 - Rs. 1,05,000 Profit from a business Singapore (60% received in India) and the business is controlled from Bangalore.
 - Foreign untaxed profit of Rs. 30,000 of an earlier previous year brought into India during this previous year.
 - Income from agriculture in Malaysia but received in Chennai Rs. 15,000
 - Interest on Fixed Deposit with Canara Bank Rs. 4,000/-
 - Interest on Investments in Bonds outside India and received there Rs. 70,000/-



- i) Income from business in Mumbai Rs. 2,00,000 controlled from USA.
- j) Pension received in USA for past services in India.
- k) Gift from friends Rs. 30,000/-
- l) Gift from mother Rs. 3,00,000/-
- m) Salary for 2 months from office of Indian Embassy in London and received and spent there Rs. 50,000/-

Calculate the total taxable income if Mr. Madhu is

- i) Resident and ordinarily resident.
- ii) Resident but not ordinarily resident.
- iii) Non-resident (Ignore Alternative Tax Regime)



7. Calculate the taxable salary of Mr. Sharath who is working in a private company as executive for the previous year 2021-22 (Assessment year 2022-23) (Ignore Alternative Tax Regime)
- a) Basic Salary Rs. 45,000 pm
 - b) DA 35% of salary which enters into retirement benefits.
 - c) Festival cash allowance Rs. 10,000.
 - d) Bonus Rs. 15,000
 - e) He contributes 15% of his salary to RPF and the employer makes a similar percentage contribution.
 - f) Interest credited on the balance to his credit in RPF account was Rs. 7,500 @ 15% PA Interest.
 - g) The employer provide him 1600 cc car along with a driver for official as well as personal use of the employee.
 - h) A rent free accommodation is provided in Bangalore by the employer and the employer pays rent of 18000 pm and the cost of furniture installed in the house is Rs. 50,000.
 - i) Employer has provided a cook by paying a salary of Rs. 3000 pm and recover 500 pm from the salary of the employee.



8. Calculate the taxable income from salary of Mr. Venkatesh for the previous year 2021-22 relevant to the assessment year 2022-23.
- Basic salary Rs. 45,000/- Pm
 - Conveyance allowance Rs. 8,000 pm and 75% is spent for official purpose.
 - Children Hostel Allowance for three children @ 600 pm per child.
 - Leave salary encashed during service Rs. 45,000.
 - The employer has paid credit card bills of Rs. 14,000
 - Gift cheque given by the employer Rs. 3,000
 - Reimbursement of medical bills Rs. 19,000
 - Cost of refresher course attended by the employee met by the employer Rs. 10,000.
 - Life Insurance premium of employee paid by employer Rs. 12,000.
 - Free meals provided by the employer to the employee for 310 days at a cost of Rs. 130 per meal.
 - Interest free loan provided by employer to purchase a scooter Rs. 50,000 on 1/7/2021 (SBI Rate is 8% PA) (Ignore Alternative Tax Regime)

9. Mr. Skanda owns a Building consisting of 3 identical and independent units the construction of the which is completed on 1/4/2021. The following particulars are available.

Particulars	I Unit	II Unit	III Unit
Municipal Rental			
Value	50,000	50,000	50,000
Actual Rent PM.	8,500	9,000	-
M.Tax paid	5,000	6,000	3,000
Vacancy period			
in months	1	2	-
Purpose of usage	Lop	Lop	Sop

The interest on loan taken for the construction of the entire building was Rs. 36,000 of which Rs. 10,000 is still unpaid.

The computed income from salary amounted to Rs. 3,20,000/-

Calculate Gross Total Income for The AY. 2022-23 (Ignore Alternative Tax Regime)

