



13623

Reg. No.

--	--	--	--	--	--	--	--

VI Semester B.Com. Degree Examination, August/September - 2023

COMMERCE**Income Tax - II**

(CBCS Scheme Repeaters-2017-18 , 2018-19 Onwards)

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer all the sections as directed.

SECTION - A

Answer any Five sub-questions. Each sub question carries Two marks. (5×2=10)

1. a) What is profession?
 b) What is tax liability?
 c) What is the Grossing percentage of casual income.
 d) Mention any four admissible expenses in business income.
 e) What is long term capital Gain.
 f) Expand TDS and PAN
 g) Give the meaning of Set-Off.

SITADEVI RATANCHAND NAHAR
ADARSH COLLEGELIBRARY & INFORMATION CENTRE
5th Main, Chamaraajpet, Bengaluru-560018**SECTION - B**

Answer any Three questions. Each question carries Six marks. (3×6=18)

2. Mr Rahul Resident furnishes the following details compute his Income from capital gain for the A.Y 2022-23.
 Date of Purchase of HP 1/6/2001
 Cost of Acquisition Rs. 2,50,000
 Cost of Addition in 2004-05 is 77,000
 Sale consideration Rs. 70,00,000
 CII 2001-02-100 2004-05-113 2021-22-317
3. Mr. Aravind has the following Receipts and Payments for the year ended 31/3/2020.
 Compute his professional Income

Receipts	Rs.	Payments	Rs.
Consultation fees	2,00,000	Office Rent	1,20,000
Sitting fees	1,50,000	Salary to junior	84,000
Dividends received	60,000	Car expenses(25% Personal)	40,000
Gift from clients	30,000	Books	10,000
Rent from HP	15,000	Contribution to PPF	15,000

[P.T.O.]

4. Compute taxable income from other source from the following incomes of Mr. Ramya Resident for the P.Y 2021-22
- Directors fees Rs. 15,000
 - Interest from post office savings Bank a/c Rs. 500
 - Dividends received from Co. Operative society Rs. 9,000
 - Interest on Securities Rs. 5,000
 - Honorarium received for writing books Rs. 20,000
 - Income from Horse Race Net 30,000.
5. Explain the provisions to set-off and Carry forward the following Losses
- Short term capital loss
 - Loss from other sources.
6. Ms. Ramya (Resident) submits the following particulars of her Income and Expenditure for the P.Y 2021-22.
- Compute her total income for the A.Y 2022-23.
- Gross total Income Rs. 9,00,000
 - Contribution to PPF Rs. 70,000
 - Contribution to annuity plan of LIC Rs. 16,000
 - Contribution to PM national relief fund Rs. 10,000
 - Contribution to Swachh Bharath Kosh Rs. 10,000

SECTION - C

Answer any Three questions. Each question carries Fourteen marks. (3×14=42)

7. Mr. Rajan has prepared the following P and L account for the year ending 31/3/2022.

Particulars	Rs.	Particulars	Rs.
Salary	48,000	Gross Profit	2,37,000
Advertisement	24,000	Rental Income	1,65,000
Sundry expenses	54,500	Dividend from Indian Co.	24,000
Interest on own capital	12,000	Winning from Lottery (Net)	1,15,000
Fire Insurance Rs. 10,000 Relates to HP	30,000	Interest on non-Government Securities	1,92,000
Income Tax and Wealth Tax	27,000		
House hold expenses	42,500		
Contribution to National Laboratory for carrying on research	11,000		
Provision for bad debts	10,500		
Repair to HP	10,000		
Municipal Taxes HP	36,000		
Insurance own life	6,000		
Donation to Political party	12,000		
Depreciation	23,800		
Net Profit	3,85,700		
	7,33,000		7,33,000

Mr Rajan own a HP having 4 units out of which unit I having 25%. Carpet area is used for own business purpose Determine the income under the head profits and gains of Business and Taxable Income from Business.

8. Mr. Arun, a physician and Resident of Bangalore submits the following receipts and Payments account for the year ending 31/3/2022

Receipts particulars	Rs.	Payment Particulars	Rs.
To Balance b/d	70,000	By Rent of Clinic	
		2020-21-	80,000
To consultation fees		2021-22	1,20,000
2019-20	25,000		
2020-21	2,50,000	By Surgical Equipments	1,00,000
2021-22	30,000		
To visiting fees	80,000	By computer	50,000
To winning from lottery	50,000	By interest on loan (Profession)	12,000
To Interest on POSB	30,000	By Professional Books	15,000
To Gift from patients	40,000	By car purchased	1,50,000
To share from HUF	20,000	By house hold Exp.	20,000
To Sale of Medicine	90,000	By Income Tax	5,000
To Loan from Bank	1,50,000	By LIC	18,000
		By Gift to Mother	30,000
		By Car Expenses	25,000
		By Lottery ticket	12,000
		By Staff salary	1,20,000
		By Balance c/d	78,000
	8,35,000		8,35,000

Additional Information:

- Depreciation on Car 15% . Car is used 60% for profession
- Surgical Equipments and Computers purchased were put to use on 10-9-2021
Depreciation on computers 40% surgical equipments 15%.

He Maintains his books of Accounts on Cash Basis.

Determine Taxable Income from Profession for the A. Y 2022-23.

9. Compute Income from other sources of Mr. Veera who held the following Investments in P.Y 2021-22.

- Rs. 1,10,000 10% Central Government Securities
- Rs. 5,00,000 10% Commercial Securities
- Rs. 10,000 (Gross) Received as Interest on Securities (Listed).
- Rs. 8,500 received as Interest from Karnataka Government Securities.
- Rs. 3,600 received as interest on debentures (Listed)
- Rs. 3,00,000 13.5% Securities of X Co., Ltd. (Unlisted)
- Rs. 3,00,000 11% securities of a papermill (listed)
- Interest on post office Savings Bank a/c Rs. 500
- Dividend received from 1 Ltd .32,000
Bank charged Rs. 2000 as collection charges.

10. During the year ended 31/3/2022

Mr. James (Resident) sold the following assets

Particulars	Sale Proceeds.
i) Agricultural Land (urbancity) Purchased in 2001 for Rs. 20,000 (FMV on 1/4/2001) Rs. 30,000 CII 100	5,60,000
ii) Machinery Purchased 1/5/2021 for Rs. 25,000	30,000
iii) Furnitures purchased on 1/5/2021 for Rs. 2,500	3,800
iv) Shop Purchased in 2013-14 CII 220 for Rs. 50,000	60,000
v) Residential house purchased in 2008-09 CII 137 Costing Rs. 60,000	5,80,000

During the year he bought another house for his residence for Rs. 2,00,000. The CII for 2021-22 is 317. Find out the capital Gain.

11. Sham gives the following information of his income for the P.Y 2021-22. Compute total taxable income from Total Income for the A.Y 2022-23.

Incomes:

- Rent Received 9,000 PM computed Income from HP Rs. 65,000
- Computed salary Rs. 3,00,000
- Agricultural Income from Pakistan Rs. 1,00,000
- Share from HUF Rs. 1,50,000
- Computed Income from STCG Rs. 55,000

Expenses:

- Medical Insurance Premium Rs.20,000
- Loan repayment Rs.30,000 towards home loan.
- Contribution to PM relief fund 20,000