



71523

**V Semester B.Com. (LSCM) Examination, April/May 2023  
(CBCS Scheme)  
COMMERCE  
Income Tax – I**



Time : 3 Hours

Max. Marks : 70

**Instruction :** Answers should be written only in **English**.

**SECTION – A**

1. Answer **any five** sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**
- Define the term Person.
  - State the various heads of Income.
  - Expand DTC and CBDT.
  - Mention any two exempted incomes.
  - How do you treat LTC received by an employee ?
  - What do you mean by Standard Rent ?
  - Give the meaning of Agricultural Income.

**SECTION – B**

Answer **any three** questions. **Each** question carries **six** marks. **(3×6=18)**

- Mr. Mukul went to America on 1<sup>st</sup> August 2021 and came back to India on 25<sup>th</sup> Feb. 2022. He had never been out of India before. Determine his residential status for AY 2022-23.
- Briefly explain the cannons of taxation.
- Mention whether the following are agricultural income or non agricultural income.
  - Income from interest on arrears of rent payable in respect of land used for agricultural purposes.
  - Income derived from self grown grass.
  - Income derived from land used as stone quarries.
  - Compensation received for acquisition of agricultural land for military purposes.
  - Salary received as a partner from a tea manufacturing firm.
  - Rent received from house property situated in the immediate vicinity of agricultural land.

P.T.O.



5. Ms. Gowri Bai resides in Mumbai during the previous year 2021-22.

She gets ₹ 12,000 p.a. as basic salary

She gets DA at 20% of basic salary (enters for all retirement benefits)

She has also received a commission of ₹ 15,000 (calculated at 2% on turnover achieved by her)

HRA received by her is ₹ 11,800 p.a., but rent paid by her is ₹ 14,800 p.a.  
Calculate HRA.

6. Calculate the Gross annual value of Mr. Jeevan from the particulars given below.

	₹
Municipal Value	1,60,000
Fair Rent	1,80,000
Standard Rent	1,75,000
Annual Rent	1,68,000
Unrealized rent for the previous year	42,000
Vacancy period 1 month.	

### SECTION – C

Answer any three questions. Each question carries fourteen marks. (3×14=42)

7. Miss. Anuradha who is an officer in ABC LTD., gives you the following particulars.

- a) Basic salary ₹ 32,000 p.m.
- b) D.A. ₹ 1,000 p.m (50% enters into all retirement benefits).
- c) HRA ₹ 10,000 p.m. (Rent paid ₹ 14,000 at Bengaluru).
- d) Conveyance allowance ₹ 1,600 P.M (₹ 1,200 P.M. used).
- e) CCA ₹ 300 P.M.
- f) Motor car of exceeding 1,600 CC with driver provided and used partly for official and partly personal.
- g) Payment of her LIC premium ₹ 16,000 by the company.
- h) Children education allowance ₹ 400 P.M. each for her three children.
- i) Services of sweeper (salary ₹ 400 P.M.) out of which ₹ 100 P.M. recovered from Anuradha.
- j) She contributes 14% of salary to RPF and the company makes a matching contribution to RPF, interest credited to RPF is ₹ 13,750 at 12.5% p.a.

Compute her income from salary for assessment year 2022-23.



8. Mr. Srinivasulu is the owner of three houses in Bangalore the particulars of which are given below :

Particulars	House 'A'	House 'B'	House 'C'
Municipal value	30,000	40,000	20,000
Fair rent	36,000	30,000	24,000
Let out (per month)	4,000	4,000	5,000
Constructions completed	1-4-2019	1-6-2019	31-3-2018
Repairs	—	5,000	4,000
Municipal tax paid by owner	3,000	—	—
Municipal tax paid by tenant	—	—	2,000
Municipal tax due	—	4,000	—
Vacancy period	—	—	2 months

Srinivasulu took a loan of ₹ 3,00,000 at 8.5% p.a for construction of house 'B', date of borrowing loan is 01-07-2016. Compute taxable income from house property for the AY 2022 – 23.

9. Mr. Rishi Kumar furnishes the following information of income for the AY 2022-23. Find out his total income if his Residential status is: (Ignore alternative tax regime under Section 115BAC).

- a) Ordinary resident
- b) Not-ordinary resident
- c) Non-resident Indian
  - i) Income from business from Mumbai ₹ 1,00,000.
  - ii) Profit from business in USA controlled from India ₹ 50,000.
  - iii) Income from house property in Japan received there ₹ 50,000.
  - iv) Income from business in India, but received in London ₹ 30,000.
  - v) Salary (computed) received in India for services rendered in USA ₹ 70,000.
  - vi) Profits from business in Malaysia controlled from India (1/3 received in India) ₹ 30,000.
  - vii) Past untaxed income brought into India ₹ 8,000.
  - viii) Dividend received from a domestic company ₹ 5,000.
  - ix) Agricultural income earned in Nepal ₹ 25,000
  - x) Interest earned on post office savings bank a/c ₹ 5,500.
  - xi) Interest received on private company securities ₹ 30,000.
  - xii) Gift cash from father ₹ 30,000.



10. Mr. Virat (resident) owns a building consisting of 3 identical and independent units the constructions of which completed on 1-4-2021. The building was occupied from 1-4-2021 onwards. The particulars pertaining to the 3 units for the year ended 31-3-2022 given below:

Particulars	Unit I	Unit II	Unit III
Fair rent	60,000	60,000	60,000
Rent received	–	72,000	–
Municipal taxes Paid	3,000	5,000	6,000
Municipal taxes due but not paid	3,000	5,000	–
Land revenue paid	–	–	1,200
Land revenue due but not yet paid	1,200	1,200	–
Repair expenses	2,400	2,400	2,400
Nature of occupation	Occupied for residence	Let out for residence	Used for own business

On 1-4-2020 Mr. Virat had borrowed a sum of ₹ 2,400 ₹ 5,00,000 bearing interest at 12% p.a. for the construction of this building. The total cost of construction of the building was ₹ 12,00,000. The business income of Mr. Virat for the year ended 31-3-2022 is ₹ 2,10,000.

Compute the gross total income of Mr. Virat for the A.Y 2022 – 23.

11. Mrs. Sharanya is working as sales executive in Tata Ltd. Kolkata and her salary details are as follows for the previous year 2021-22.
- Basic salary ₹ 21,000 per month.
  - Bonus equal to two months basic salary.
  - Commission 3% on sales (During the year she reached sales target of ₹ 5,00,000).
  - Dearness allowances ₹ 7,000 per month (Eligible for all retirement benefits).
  - Medical allowance ₹ 1,400 per month (medical expenses ₹ 15,000 p.a.).
  - Children Hostel allowance for her two children @ ₹ 500 per month per child.
  - Children education allowance for her two children ₹ 400 per month per child.
  - RPF contribution by the company ₹ 6,000 per month.
  - RPF contribution by employee ₹ 5,000 per month.
  - Interest credited on RPF 11% ₹ 44,000.
  - She has been provided with company's owned rent free furnished house in Mumbai and cost of furniture provided ₹ 60,000.
  - Mrs. Sharanya paid her professional tax ₹ 2,400 p.a.
- Compute taxable salary for the assessment year 2022 – 23.  
(Ignore alternative Tax Regime under section 115 BAC).