

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP****SIXTH SEMESTER – APRIL 2022****UBC 6501 – INCOME TAX II**

Date: 15-06-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

PART – A**Answer ALL questions****(10 x 2 = 20 Marks)**

1. What are deemed profits?
2. What are expressly disallowed expenses?
3. Mr. X gives the following details of his income for the previous year ending March 31, 2021.

Winnings from lottery: net amount Rs. 49,000

Winnings from card games Rs.16,000.

Determine the income chargeable under the head income from other sources.

4. From the following incomes given below calculate the income from the head other sources:

Dividend from A Ltd an Indian company Rs. 20,000

Dividend from X Ltd a foreign company Rs. 15,000

Dividend from co-operative society Rs. 5,000

5. What is Inter source Adjustment?
6. Mention any four deemed incomes.
7. Compute Gross Total Income:

	Rs.
Income from salary (computed)	2,00,000
income from House property (computed)	75,000
professional income	1,50,000
Interest on securities	5,000
Long term capital gain	60,000

8. Write a short note on Deduction u/s 80TTA.
9. Write a note on CBDT.
10. What do you mean by refund of tax?

PART – B**Answer any FOUR questions****(4 x 10 = 40 Marks)**

11. Compute Income from the Other Sources from the particulars given below:

	Rs.
Interest on deposits with a company	10,000
University remuneration on working as examiner	6,000
Royalty for writing books	60,000
He claims to have spent Rs. 20,000 on writing these books	
Dividend declared and paid on 1.5.2021	6,000
Interim dividend paid on 1.5.2020	3,000
Family pension	36,000
State money on race horses	1,50,000
Horses are maintained by him and expense on maintenance of these Horses are	2,40,000

12. Mr. Xavier held the following investments:

- a) Rs. 8,10,000 10% (Tax free) Debentures of a limited company (Listed).
- b) Rs. 72,000 interest received on Tax free debentures of Y Ltd (Not listed)
- c) Rs. 7,99,200 10% (Tax free) securities of a limited company (Listed)
- d) Rs. 1,39,680 interest received on Tax free securities of Limited company
- e) Rs. 4,00,000 15% debentures of a company
- f) Rs. 26,910 being interest on listed debentures of a company.
- g) Dividend from foreign companies Rs. 15,000
- h) Dividend from cooperative societies Rs. 3,000
- i) Dividend from Indian company Rs. 18,000
- j) Winning from lottery net amount 70,000

Compute the Income from Other Sources of Mr. Xavier for the Assessment year 2021-22.

13. Explain the provisions of law regarding the clubbing of income of spouse and other family members in the income of individuals.

14. The following is the Receipts and Payments Account of Mr. Mani, a practicing Chartered Accountant for the year ended 31.3.2021. Compute professional income:

	Rs.
Receipts:	
Audit fees	50,000
Consultation	10,000
Appellate Tribunal Appearance	20,000
Miscellaneous	10,000
Interest on Govt. securities	5,000
Rent received	6,000
Presents from clients	9,000
Payments:	
Office expenses	8,000
Office rent	7,000
Salaries	14,000
Printing	1,600
Subscriptions to CA Institute	4,000
Purchase of books for professional purpose	1,600
Travelling expenses	6,000
Donation to NDF	5,000

15. Sri Ganesh a residential individual submits the following information relevant for the previous year ending on 31.3.2021.

Income from salary (Computed)	Rs. 80,000
Income from house property (Computed):	
House A	25,000
House B	- 35,000
House C	- 40,000
Profits and Gains from Business:	
Business 1	30,000
Business 2	- 70,000
Business 3 (Speculation)	- 44,000
Business 4 (Speculation)	15,000
Capital gains:	
Short Term Capital Gain	- 65,000
Long Term Capital Gain	17,000
Income from other sources:	
Interest on securities	30,000
Race winnings	45,000
Income from card games and betting	70,000

Compute the Total income of Mr. Ganesh for the AY 2021-22.

16. During the previous year 2020-21, Ram has the following income and expenditure:

	Rs.
a) Business profit	1,50,000
b) Winning from lotteries	55,000
c) Long term capital gain	40,000
d) Donations to PM National Relief Fund	10,000
e) Donation to a temple approved for the purpose of Section 80-G	
f) Donations to clear Ganga Fund Rs. 5,000	25,000
g) Donation to Swathi Bharathi Kosh Rs. 2,000	

Compute his total taxable income for the Assessment year 2021-22.

17. Explain the powers of Central Board of Direct Taxes.

PART – C

Answer any TWO question

(2 x 20 = 40 Marks)

18. From the following Profit and loss Account. Calculate Income from business.

Particulars	Rs.	Particulars	Rs.
To Salary	5,00,000	By Gross Profit	15,00,000
To Repairs	25,000	By Sundry receipts	3,00,000
To Bad debts	8,000	By Rent from HP	1,00,000
To Provision for bad debts	10,000	By Sales of medicine (profit)	25,000
To Donation	25,000	By Bad debts to be recovered (disallowed earlier)	4,000
To Entertainment expenses	5,000	By Bad debts recovered (Allowed earlier)	3,000
To Provision for gratuity	20,000		
To Income tax	15,000		

To Provision for income tax	20,000		
To Wealth tax	25,000		
To Car purchased	50,000		
To Municipal tax (for house)	6,000		
To General expenses	15,000		
To Patent	56,000		
To Net profit	11,52,000		
	19,32,000		19,32,000

Additional Information

- i. Business income Rs. 42,700 is not shown in the Profit and loss account.
- ii. Depreciation worth Rs. 5,000 approved by the authority is not shown in the Profit and loss account.
- iii. Rs. 4,000 relating to other sources is included in general expenses
- iv. Rs. 50,000 worth of income not relating to business is included in sundry receipts.

19. Compute tax liability of Mr. John for the assessment year 2021-22 from the particulars given below:

	Rs.
i. Gross salary	5,80,000 p.a.
ii. Self occupied house whose ARV is	18,000 p.a.
Municipal taxes	2,000 p.a.
Interest on loan for construction of house	10,000
Amount repaid against loan taken from HDFC	15,000
iii. Bank interest (fixed deposits)	6,000
Interest on debentures	4,000
Interest on Govt. Securities	4,000
Interest accrued on NSC VIII issue	1,240
iv. Amount contributed to RPF	4,800
Life insurance premium on a policy of 30,000	4,000
Amount deposited with P.P.F	15,000
v. Tax deducted at source from salary	

20. Compute Income From Other Sources of Mr. A who held the following information during the previous year 2020-21.

- i. Rs. 11,000, 10% Central Government Securities
- ii. Rs. 36,000 10% Tax free commercial Securities
- iii. Rs. 6,300, received as interest on Tax Free Public Limited Company securities (Listed)
- iv. Rs. 7,200 received as interest on AP Government securities.
- v. Rs. 4,500 received as interest on Debentures of X Ltd (listed)
- vi. Rs. 30,000 13.5 % securities of a Paper Mill Co (Listed)
- vii. Rs. 35,000 11% securities of a Star Co (Listed)
- viii. Rs. 10,000 15% Jaipur Municipal Corporation Bonds.
- ix. Dividend from Indian company Rs. 6,000
- x. During the year he also got price in Karnataka State lottery. The net amount received by him was Rs. 35,000. Interest on all securities payable on 1st July and 1st January every year. Bank charges Rs. 200 as collection charges.

21. How Income Tax Authorities are classified? Explain each of them.
