

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**U.G. DEGREE EXAMINATION – ALLIED****FOURTH SEMESTER – APRIL 2023****UCO 4402 – INTRODUCTION TO INCOME TAX**

Date: 04-05-2023

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A**(10 x 2 = 20 Marks)****Q. No.****Answer all the Questions**

- 1 Who can be called as “Non-Resident”?
- 2 What do you mean by Assessment Year?
- 3 Give any TWO examples of House Property exempted from tax.
- 4 Define the term Gross Total Income.
- 5 List any TWO allowances fully exempted.
- 6 What are called Perquisites?
- 7 If the house is vacant throughout the previous year, what is its implication?
- 8 Give TWO examples of Capital Assets.
- 9 What do you mean by Casual Income?
- 10 Is Health and Education Cess levied compulsorily? If yes, how much?

SECTION – B**(4 x 10 = 40 marks)****Q. No.****Answer any FOUR Questions**

- 11 Find out the Gross Annual Value of the following assessee:

Details	H1 – Mr A	H1 – Mr B	H1 – Mr C	H1 – Mr D	H1 – Mr E
Municipal Value	₹ 1,05,000	₹ 1,05,000	₹ 1,05,000	₹ 1,05,000	₹ 1,05,000
Fair Rental Value	₹ 1,07,000	₹ 1,07,000	₹ 1,07,000	₹ 1,07,000	₹ 1,07,000
Standard Rent	N. A.	₹ 88,000	₹ 88,000	₹ 1,35,000	₹ 1,35,000
Annual Rent	₹ 1,03,000	₹ 1,12,000	₹ 86,000	₹ 1,14,000	₹ 97,000
Unrealised Rent	₹ 1,000	₹ 2,000	₹ 1,000	₹ 2,000	₹ 1,000

- 12 Write a short note on the following:
- a Children’s Education Allowance – 2.5 Marks
 - b Children’s Hostel Expenditure Allowance – 2.5 Marks
 - c House Rent Allowance – 5 Marks
- 13 Compute Gross Salary of Mr Smith for the Assessment Year 2022-23 from the following information under the mentioned TWO situations:
- a. Salary @ ₹ 60,000 p.m.;
 - b. Dearness Allowance @ ₹ 12,000 p.m. (forming part);
 - c. House Rental Allowance @ ₹ 16,000 p.m.;

Situation:

- (i) Living in own house;
- (ii) Living in rented house at Chennai and pays monthly rent of ₹ 14,000

- 14 Mr. Radhakrishnan owns a residential house property at Dehradun. From the following information, compute the amount of capital gain:

Particulars	Am (₹)
Sales consideration (sale made on 20-02-2022)	7,25,000
Cost of acquisition (01-12-2004)	83,000
Cost of improvement (20-06-2007)	20,400
Expenses on transfer	4,000
Cost of new house purchased in Noida (on 23-12-2021)	3,00,000
Cost of another house purchased in Haridwar (on 05-03-2022)	1,15,000
The C.I.I for 2004-05 is 113, 2007-08 is 129 and 2021-22 is 317.	

- 15 Following are the particulars of Mr. Durai for the Previous Year ending 31st March, 2022:
- Income from house property earned and received in London ₹ 60,000;
 - Royalty received in India ₹ 54,000;
 - Income from business in Germany ₹ 45,000 and the business is controlled from India.
 - Income from investment in Canada ₹ 30,000;
 - Income from business in India ₹ 60,000. This business is controlled from U.K.;
 - Income from sale of house property in Agra ₹ 20,000.
- Calculate his total Income for the Assessment Year 2022-23, if he is (a) Ordinary Resident, and (b) Non-Resident.
- 16 Mr. Babu who is a Resident of India furnished the following particulars of his investments for the PY ended 31st March, 2020:
- Rs.10,000 in Post Office Savings Bank Account which earns interest @ 5% p.a.;
 - Rs.50,000 in Fixed Deposit A/c with ICICI Bank on which interest @ 10% is payable;
 - Rs.1,000 interest received on National Development Bank;
 - 10% UP State Electricity Board Bonds Rs.20,000;
 - Rs.36,000, 10% tax-free debentures of Agra Municipal Corporation.
- Calculate the taxable income under the head Income from Other Sources for the AY 22-23.
- 17 Explain the various canons of taxation.

SECTION – C
Answer any TWO Questions

(2 x 20 = 40 Marks)

18. Mr Lasith Malinga owns three houses, the particulars of which are as follows:

Particulars	House - I	House - II	House - III
Municipal Rental Value	₹ 3,00,000	₹ 50,000	₹ 9,50,000
Fair Rental Value	₹ 3,90,000	₹ 1,80,000	₹ 9,50,000
Standard Rent	₹ 3,62,000	₹ 1,20,000	₹ 9,00,000
Annual Rent	₹ 4,20,000	-	-
Unrealized rent	₹ 35,000	-	-
Municipal tax paid by owner	-----	₹ 5,000	₹ 90,000
Building Completed on	31-05-18	31-05-18	01-04-2017
Nature of occupation	Let out	Self-occupied	Self-occupied

He borrows ₹ 3,00,000; ₹ 4,00,000 & ₹ 5,00,000 @ 15% p.a. for construction of House I, II and III respectively on June 15, 2013, date of repayment of loan is 31st December 2021. Determine his income from house property for AY 2022–23

19. Mr. Rahul, manager of a textile company at Bangalore (population 60,00,000) submits the following particulars of his income for the FY 2012-22:

- a. Basic salary ₹ 18,750 p.m.;
 - b. D.A. ₹ 4,000 p.m. enters into pay for retirement benefit;
 - c. Education allowance for two children ₹ 250 p.m. per child;
 - d. Hostel allowance for two children at ₹ 450 p.m. per child;
 - e. Commission ₹ 40,000;
 - f. Employer contribution to RPF ₹ 39,500 in the previous year;
 - g. Entertainment Allowance ₹ 1,700 p.m.;
 - h. Interest Credited to RPF in the previous year @ 10% amounted to ₹ 10,000;
 - i. Encashment of earned leave ₹ 15,000;
 - j. He paid professional tax of ₹ 2,500
- Compute his taxable salary income for the assessment year 2022-23.

20. Mr. Annamalai sold the following assets on 1st March, 2022:

Particulars	Sale Amt
A Tea shop purchased in 2005-06 (C.I.I – 117) for ₹ 48,000	₹ 1,80,000
Plant and Machinery purchased in 2003-04 (C.I.I-109) for ₹ 50,000 (W.D.V. on 01-04-2021 is ₹ 35,000)	₹ 60,000
Fixtures & Furniture purchased on 01-06-2021 for ₹ 1,000	₹ 1,300
A plant purchased on 01-04-2019 for ₹ 10,000	₹ 12,000
An Agricultural Land in Ahmedabad purchased in 1999-2000 for ₹ 40,000 (F.M.V. on 01-04-2001 is ₹ 75,000) C.I.I. – 100	₹ 2,80,000
One residential house purchased in 2007-08 (C.I.I – 129) costing ₹ 80,000	₹ 2,90,000

Calculate the amount of capital gains to be included in the Gross Total Income. The C.I.I for the year 2021-22 is 317.

21. Mr Harish has the following investment during the year ended 31st March, 2022:

S. No.	Particulars	Amount
a.	7% Government Securities	25,000
b.	8% Delhi Municipal Bonds	15,000
c.	9% Chennai Port Trust Bonds	20,000
d.	7-Year Post Office National Savings Certificate	10,000
e.	7% Central Govt. Bonds	18,000
f.	7% National Plan Certificates	5,000
g.	6% Foreign Government Securities	15,000

He paid Rs.60 as commission for collecting the taxable interest on securities. Calculate Income from other sources of Mr Harish.

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