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BCMCMCN 502

**V Semester B.Com. Degree Examination, December 2024 /January 2025
(NEP 2020) (2023-24 Batch Onwards)
INCOME TAX LAW AND PRACTICE – I**

Time : 2 Hours

Max. Marks : 60

Instruction : Give working notes **wherever** necessary.

SECTION – A

Answer **any five** of the following :

(2×5=10)

1. Who is an assessee ?
2. What is Assessment Year ?
3. Who is a resident individual ?
4. How do you treat donation given to municipality for promoting family planning ?
5. State the limit of exemption U/S 10(10A) for commutation of pension in case of Non-Government employee if they receives gratuity.
6. What do you mean by Tax Collected at source ?
7. Define Perquisites.
8. How do you treat house used for self-occupation ?



SECTION – B

Answer **any four** of the following :

(5×4=20)

9. Define previous year and mention the exceptions to the general rule.
10. After serving for 35 years and 8 month in Bush Ltd., Mr. Harish who is covered under the Payment of Gratuity Act retires from service on 31.12.2023. The employer pays him a gratuity of ₹15 lakh. His monthly basic salary immediately preceding the retirement were: Basic salary of ₹ 55,000 p.m., D.A. ₹ 30,000 p.m., HRA ₹ 5,000 p.m. and Bonus ₹ 500 p.m. You are required to determine the amount of gratuity exempt under Section 10(10) of the Income Tax Act.

P.T.O.



11. Find out the taxable house rent allowance from the following particulars :

Basic salary of ₹10,000 p.m.

Dearness Allowance at 10% of the basic pay.

Commission based on fixed percentage of turnover ₹12,000 for the whole year.

House rent allowance ₹ 3,000 p.m.

Actual rent paid by the assessee ₹2,000 p.m.

House situated at Mysore.



12. Mr. Thomson a foreigner, came to India for the first time on 20 June, 2018. During the financial year 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 he stayed in India for 120 days, 115 days, 15 days, 191 days, 54 days and 80 days respectively. Determine his residential status for the assessment year 2024-25.

13. From the following particulars in respect of Mr. Avinash, find out the deduction allowable to him U/S 80C for PY 2023-24 :

i) LIC premium ₹12,000 on own life policy of ₹1,00,000 (policy taken after 01.04.2012).

ii) Contribution to Public Provident Fund ₹ 28,000.

iii) Contribution to unrecognized Provident Fund ₹13,000.

iv) Housing loan repaid (out of this ₹ 25,000 is paid towards interest) ₹ 78,000

v) Purchase of National Savings Certificate VIII issue ₹ 15,000.

vi) Tuition fee paid of his two children ₹ 7,200 each.

14. Mrs. Pavan has estimated taxable income of ₹ 8,70,000 for the F.Y. 2024-25. Determine the amount payable as advance tax on prescribed date during the PY 2024-25 if she does opt for new tax regime ?

SECTION – C

Answer **any two** of the following :

(15×2=30)

15. Explain the provisions of the Income Tax Act relating to different types of Provident Funds.



16. Mr. Dev owns 4 houses, particulars of which as under :

Particulars	House I (₹)	House II (₹)	House III (₹)	House IV (₹)
Annual Municipal value	20,000	15,000	24,000	30,000
Fair rental value	24,000	30,000	20,000	24,000
Rent received	30,000	14,400	Self occupied	Self occupied
Standard rent	27,200	36,000	30,000	30,000
Municipal taxes :				
Paid	1,600	1,200	-	2,400
Due	-	-	2,000	-
Repairs	-	24,000	8,000	12,000

For the construction of house IV, he had borrowed ₹ 1,00,000 at 15% p.a. on 01.01.2019. The construction was completed on 01.09.2021. The loan outstanding on 01.04.2023 is ₹ 80,000. During the year he recovered unrealised rent of ₹ 2,000 (relating to house I) which was claimed as deduction in 2019-20. Compute his income from house property for the AY 2024-25.

17. Mr. Suresh furnished the following particulars of his income for the PY 2023-24.

- i) Basic salary ₹ 40,000 p.m.
- ii) D.A. ₹ 10,000 p.m. (50% enters into PF)
- iii) Entertainment allowance ₹ 500 p.m.
- iv) Bonus of one month basic.
- v) C.C.A. ₹ 500 p.m.
- vi) Conveyance Allowance ₹ 700 p.m.
- vii) Education Allowance ₹ 350 p.m. for one child.
- viii) Servant Allowance ₹ 500 p.m.
- ix) He is also provided with furnished accommodation owned by the company. Cost of Furniture ₹ 80,000 is also provided to him in a city population is more than 40 lakhs.
- x) He is given with a car of 1.8CC for official and personal use. The running maintenance expenses of this car are met by the employer.
- xi) He contributes 18% of salary to RPF to which his employer also contributes the same.
- xii) Interest credited to RPF A/c during the year at 14% amounted to ₹ 28,000.
- xiii) He has made the following payment

Professional Tax ₹ 200 p.m.

Compute his taxable salary income for the AY 2024-25.





18. Following are the incomes of Narahari for the PY 2023-24. Ascertain his taxable income for the PY 2023-24, if he is : (i) a resident (ii) a not ordinarily resident and (iii) a non- Resident.
- a) Income from agriculture land in Mangalore ₹ 9,00,000.
 - b) Dividend paid by an Indian Company ₹ 10,000.
 - c) Profit from business in Iraq ₹ 1,00,000 (½ received in India).
 - d) Past untaxed foreign income brought into India during the previous year ₹ 2,10,000.
 - e) Gift of ₹ 80,000 from father, received in India.
 - f) Profits of business established in Iran, but remitted to India ₹ 2,00,000 (It is controlled from India).
 - g) Dividend declared in Perth but received in India ₹ 20,000.
 - h) Royalty received by him in U.S.A. from the Government of India ₹ 90,000.
 - i) Gift from the employer ₹ 85,000.
 - j) Income from house property in Srilanka received in India ₹ 1,00,000.
 - k) Agriculture income from land situated in Pakistan (25% remitted to India).
 - l) Dividend from foreign company ₹ 44,000.
 - m) Interest on POSB Account ₹ 5,000.
 - n) Gift from friend on the occasion of marriage ₹ 35,000.

