BCO-307 **BCO-307**

Sl. No.

III Year B.Com. Degree Examination, October/November - 2024
INCOME TAX
(Non CBCS, SLM Scheme)

Time : 3 Hours **Maximum Marks : 80**

PART - A

Answer any Four questions. Each question carries 5 Marks. (4×5=20)

1. State the tax rates of an Individual (age 59 years) for the Assessment Year 2024-25 under new regime.

2. What are Block of Assets? Mention any three conditions for claiming depreciation u/s 32.

3. What is self. Assessment and Best Judgement Assessment.

4. Mr. Suresh retires from a company on 30th September 2023 after having put in 42 years of service. His average salary for 10 months preceding September 2023 is Rs. 30,000 per month. He receives a gratuity of Rs. 7,20,000.

Compute his taxable gratuity for the AY 2024-25.

5. Write a note on Alternative Minimum Tax.

6. Listout any 10 exempted incomes as per IT Act, 1961.

PART - B

Answer any Three questions. Each question carries 10 marks. (3×10=30)

7. State the provisions relating to set off and carry forward of losses.

8. What is Income Tax Return? List out the documents required for filing ITR.

9. Mohit sells his only residential house in Bangalore on 26th September, 2023 for

Rs. 26,00,000 and incurs an expenditure of Rs. 30,000 in connection with the transfer. Cost of this house for Mohit in 1979 was Rs. 2,00,000 and on 1st April, 2001 the fair market value was Rs. 3,00,000. On 15th January 2024, he purchased a residential flat in Bangalore for Rs. 4,00,000 and deposited Rs. 2,00,000 in Capital Gain Account Scheme. Calculate the capital gain chargeable to tax for assessment year 2024-25. The cost inflation index for 2001-02 was 100 and for 2023-24 it is 348.

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10. Compute taxable income under the head Income from other sources of Mr. Mohan from the following details.

a)	Private tuition fee received	Rs. 10000
b)	Winning from lottery	Rs. 2000
c)	Interest on bank deposit	Rs. 25000
d)	Letting out of vacant land	Rs. 5000
e)	Income tax refund	Rs. 12000
f)	Interest on Income tax refund	Rs. 16000
g)	Composite Rent (related expenses are Rs. 3000)	Rs. 18000
h)	Rent on sub-letting of House property (rent paid to original owner Rs. 6000)	Rs. 36000
i)	Payment to LIC Premium	Rs. 4000
j)	Letting out of vacant land	Rs. 30000

11. Sambhav is the owner of two houses. He has furnished the following particulars for the financial year 2023-24.

First House - Its municipal valuation is Rs. 40,000. It is used by Sambhav for his own residence. He paid Rs. 200 Fire Insurance Premium and Rs. 4,000 Municipal Tax. He also paid interest on loan of Rs. 25,000. This loan was taken to repay another loan taken for the construction of this house.

Second House - Its municipal valuation is Rs. 24,000 and Standard Rent is Rs. 30,000 (Rent Control Act applicable). It has been let out at Rs. 3,000 per month.

He made the following payments :	**Rs.**
Municipal Tax	6,000
Repairs	1,000
Land Revenue	200
Annual Charge	3,000

Compute his taxable income from house property for the A.Y. 2024-25.

PART - C

Answer any Two questions. Each question carries 15 marks. **(2×15=30)**

12. Following are the incomes of Mr. Vishnu for the previous year 2023-24

a) Received Rs. 20,000 in India, which accrued in England.

b) Rs. 10,000 earned in India but received in England.

c) Rs. 5,000 were earned and received in Africa but brought to India.

d) Rs. 10,000 were earned and received in Japan from a business which was controlled and managed in Japan.

e) Rs. 16,000 was untaxed foreign income of some earlier year, which was brought to India in the previous year.

f) Interest on FD in State Bank of Mysore, Bangalore Rs. 1,200.

g) Income from agriculture in Africa, received in India Rs. 10,000.

h) Dividends received in UK from an American Company Rs. 10,000.

i) Salary income for three months for working in Indian Embassy's office in Australia and salary received there Rs. 72,000.

j) Income from house property in Mumbai Rs. 1,00,000.

k) Interest received on POSB Account Rs. 1,000.

l) Pension income from Belgium for services rendered in India with a limited company Rs. 20,000.

m) Gift from friends Rs. 80,000.

Which of the above incomes are taxable if Mr. Vishnu is -

i. Resident and ordinarily resident

ii. Resident but not ordinarily resident

iii. Non-resident

13. Explain the various deductions available for Individuals under sections 80C to 80U?

14. Compute the taxable salary income of Mr. X for the A.Y. 2024-25 from the following

a) Basic Salary Rs. 12,000 p.m.
b) DA Rs. 4,000 p.m. (Which enters into all retirement benefit as per the terms of employment.
c) Bonus Rs. 12,000 p.a.
d) Rent - Fee accommodation provided by the employer, the fair rental value of which is Rs. 20,000 p.a. The cost of furnishing the house is Rs. 10,000.
e) Entertainment allowance Rs. 500 p.m.
f) Own contribution to Recognised Provident Fund is at 15% of salary.
g) Employer's contribution to Recognised Provident Fund is Rs. 9,600 p.a.
h) Interest on Recognised Provident Fund Balance at 9.5% p.a. is Rs. 2,000.
i) Free use of large motor car for both official and personal purposes. Driver is also provided by the employer.

15. Following is the Profit and Loss A/C of Mr. A for the year ending 31-03-2024

Particulars	**Rs.**	**Particulars**	**Rs.**
To office expenses	87,000	By G/P b/d	3,43,000
To Bad debts	1,800	By Bad debts Recovered (Disallowed earlier)	10,000
To Salary to Staff	1,78,000		
To Audit fees	22,250	By Amount Received from LIC on maturity of Policy	5,000
To Proprietors' Salary	33,000		
To Income Tax	11,000	By Interest From Debtors	50,000
To Interest on Capital	12,000	By Lottery Income	72,000
To GST	18,200	By Rent Received from L.O.P.	1,00,000
To Charities	2,750		
To M car expenses	18,000		
To M.T (H.P)	5,000		
To General expenses	50,000		
To L.I.P	15,000		
To Net profit	1,26,000		
	5,80,000		**5,80,000**

Addition information :

a) Office Expenses include Rs. 25,000 paid as compensation to an Old Employee where services were terminated in the interest of the business.
b) General Expenses include Rs.10,000 paid to PMNRF & 5000 to trade association
c) Allowable Depreciation Rs. 8,000.
d) 60 % of Motor Car Expenses are for Proprietor's personal use.

Compute the Taxable Business Income for the Assessment Year 2024-25

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