BCO-307

Sl.No. : **Total No. of Pages : 4**

Third Year B.Com. Degree (Annual/Supplementary) Examination, September - 2023
(SLM Scheme)
INCOME TAX

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any four questions. Each question carries 5 marks. **[4×5=20]**

Q1) State any five agricultural income exempted from income tax u/s 10.

Q2) Distinguish between capital expenditure and revenue expenditure.

Q3) List any 10 deductions available under section 80C.

Q4) What do you mean by Grossing Up?

Q5) What is Advance Payment of Tax?

Q6) Write a note on Cost of Acquisition and Cost Inflation Index?

SECTION - B

Answer any three questions. Each question carries Ten marks. **[3×10=30]**

Q7) Discuss the provisions of residential status of an individual for the assessment year 2023-24.

Q8) Explain the procedures of set-off and carry forward and set-off of losses as per Income Tax Act, 1961.

Q9) What is Assessment? Explain the different types of assessment.

Q10) Mr. Raghuram Rajan, an employee of XYZ Ltd. contributes 15% of his salary to provident fund which is recognized by commissioner of Income Tax and equal contribution is made by his employer. His Salary details are as follows.

1. Basic salary ₹75,000 p.m.
2. D.A. 60% (does not enter into retirement benefits).
3. Bonus ₹50,000.

4. Commission ₹15,000 p.a.
5. In addition to the above commission, during the year he is paid @ 2% commission on turnover achieved by him ₹10,00,000.
6. Entertainment allowance ₹5,000 p.m.
7. House Rent Allowance ₹15,000 per month (Rent paid for house in Mumbai ₹20,000 per month)
8. Children Education Allowance ₹5,000 per month
9. Transport Allowance ₹10,000 per month
10. Medical Allowance ₹5,000 per month
11. Servant Allowance ₹3,000 per month
12. City Compensatory Allowance ₹2,000 per month
13. Research Allowance ₹10,000 per month (amount spent on research ₹3,000)
14. Interest credited to the provident fund account ₹12,000 @ 10% p.a.

Compute his gross taxable income from salary for AY 2023-24.

Q11) The following are the Taxable Incomes of Shri Mahesh for the previous year 2022-23.

	Particulars	₹
1.	Income from salary received in India for services rendered in London	8,000
2.	Income from house property in Iran received in India	1,000
3.	Dividend from an India Company	2,000
4.	Income earned and received in Bangladesh from Bank deposits there	6,000
5.	Profits of business established in Pakistan deposited in a Bank there, this business is controlled from India (out of Rs. 20,000 a sum Rs. 10,000 is remitted to India)	20,000
6.	Income accrued in Bhopal but received in Singapore	6,000
7.	Income from agriculture in England, it is all spent on the education of children in London	5,000
8.	Profit from a business in Chennai, Which is controlled from London	2,00,000
9.	Untaxed profit of the 2013-14 brought to India in 2022-23	10,000
10.	Royalty received from Govt. of India	24,000

Compute the gross total Income for the assessment year 2023-24 if he is:

i) Resident,
ii) Not ordinarily resident, and
iii) Non-resident

SECTION - C

Answer any Two questions. Each question carries fifteen marks. **[2×15=30]**

Q12) Explain the provisions of valuation of Perquisites as per Income Tax Act.1961.

Q13) What are the different types of House Property as per Income Tax? Explain the provisions for determining of Income from House Property.

Q14) The following particulars are furnished by Pooja Company Limited.

Profit and Loss Account for the year ended 31-3-2023

Particulars	Amount ₹	Particulars	Amount ₹
Salaries	1,25,000	Gross Profit	5,50,000
Advertisement	40,000	Rent from staff quarters	47,500
General Expenses	1,30,000	LTCG	30,000
GST	20,000	Dividend from Foreign	
Income Tax	50,000	Company	15,000
Depreciation	33,000	Discount received	5,000
Wealth Tax	9,000	Refund of income tax	7,100
Fine and Penalties	7,000	Refund of GST	3,000
Subscription to Chamber		Interest on Govt.	
of Commerce	5,000	Securities	4,500
Staff welfare expenses	14,000	Lottery Income (Gross)	4,500
Custom Duty	5,000		
Municipal Tax (H.P.)	2,500		
Donation to NDF	8,000		
Donation to National			
Political Part	10,000		
Underwriting Commission	50,000		
Bad Debts	5,000		
Net Profit	1,53,100		
	6,66,000		6,66,000

Additional Information:

1) General Expenses include ₹30,000 spent on promoting family planning among its employees.
2) Allowable depreciation as per IT rules ₹30,000
3) Staff quarters are let out in the interest of the business.

Compute total taxable income of the company for the assessment year 2023-24 and also calculate tax liability.

Q15) The following are the details of the assets of a company on 1-4-2022.

Assets	Actual Cost (₹)	WDV as on 1-4-2022 (₹)	Rate of Depreciation (%)
Plant & Machinery			
P	10,00,000	6,00,000	15
Q	8,00,000	3,00,000	15
R	5,00,000	1,50,000	20
S	4,00,000	1,00,000	20
T	2,00,000	60,000	15

The company acquires the following used Plant and Machinery

Plant & Machinery	Actual Cost (₹)	Date of Acquisition	Rate of Depreciation (%)
X	50,000	1-06-2022	15
Y	50,000	1-11-2022	20
Z	40,000	1-01-2023	15

The Company sells the following plant & machinery

Plant & Machinery	Net Sale Consideration (₹)	Date of Sale
P	4,50,000	01-8-2022
R	70,000	15-10-2022
T	1,50,000	01-11-2023

Compute WDV and Amount of Depreciation for the AY 2022-23 and 2023-24.

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