

Reg. No.

--	--	--	--	--	--	--	--	--	--



**BCMCMC 231**

**Choice Based Credit System III Semester B.Com.  
Examination, February/March 2023  
(2020-21 and 2021-22 Batches)  
COMMERCE  
Group – I : Direct Tax – I**

Time : 3 Hours

Max. Marks : 80

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

**SECTION – A**

Answer **any four** :

**(4x4=16)**

1. Write a note on agricultural income.
2. Write an explanatory note on 'person'.
3. Explain the provisions relating deduction u/s 80 CCD.
4. Mr. Ravindra retired as an employee from Microsoft Ltd. and received ₹ 8,00,000 as Gratuity on 1<sup>st</sup> January 2022 after serving for 30 years and 7 months. His last drawn basic salary was ₹ 20,000 p.m. and D.A of ₹ 6,000 p.m. He also received ₹ 1,000 as CCA and ₹ 5,000 as HRA. Mr. Ravindra received gratuity under payment of Gratuity Act-1972. Calculate taxable gratuity.
5. Sarathi's basic salary is ₹ 22,500 per month, D.A. ₹ 4,000 p.m. and HRA ₹ 2,500 p.m. He stayed in a rented house paying a rent of ₹ 6,000 p.m. till 31<sup>st</sup> October when he shifted his residence to his newly built house. Find out taxable HRA under Existing Tax Regime.
6. Mr. Mubarak Ali, an Indian citizen working in Dubai came to India on 28-09-2021 and stayed upto 26-03-2022 then he returned to Dubai. Find out his residential status for the Previous Year 2021-22.

**SECTION – B**

Answer **any four** :

**(4x8=32)**

7. Define the term 'income'. Bring out its characteristics.
8. Define Previous Year. Explain the exceptions to the general rule that "Income of the Previous Year is charged to tax in the Assessment Year".
9. Explain the following :
  - a) Retrenchment Compensation.
  - b) Compensation received at the time of Voluntary retirement.

P.T.O.



10. Sanath retired from service on 31<sup>st</sup> December, 2021 after serving for 30 years and 8 months. He had 9 months earned leave to his credit which he encashed and received, ₹ 1,20,000. His basic as on 01-01-2021 was ₹ 14,500 and the increment of ₹ 500 fell due on 1<sup>st</sup> October. D.A. was fixed at ₹ 8,000 per month. 50% of which is considered for retirement benefits. He received commission at 1% of turnover of ₹ 30,00,000 for 10 months. (He commuted 2/3 of his pension and received ₹ 1,00,000).

Compute taxable leave encashment and taxable commuted pension (assume no gratuity is received).

11. From the following particulars compute deduction u/s 80 C under Existing Tax Regime.

- 1) Contribution to RPF ( employer's contribution ₹ 24,000 ) ₹ 20,600.
- 2) PPF deposit ( interest on PPF ₹ 4,600 ) ₹ 20,000.
- 3) Life insurance Premium paid ( own life ) ₹ 16,000. Sum assured ₹ 3,00,000 (Policy taken in 2014).
- 4) Life insurance premium paid on Mother's life ₹ 3,000.
- 5) NSC VIII issue Purchased ₹ 13,000.
- 6) Interest received on NSC ₹ 4,100.
- 7) Tuition Fee paid for Children ₹ 12,000.
- 8) Donation to school where his children study ₹ 45,000.
- 9) Repayment of housing loan (including interest ₹ 14,000 ) ₹ 30,000
- 10) Deposit in SBI for 1 Year ₹ 10,000.
- 11) Investment in notified Mutual fund ₹ 40,000.

12. From the following particulars compute the taxable value of accommodation.

- a) Basic salary ₹ 4,80,000 p.a.
- b) Bonus ₹ 12,000
- c) Commission ₹ 10,000.
- d) Furnished accommodation provided to the employee for which actual rent paid by the company ₹ 96,000 p.a.
- e) Rent recovered from the employee ₹ 24,000 p.a.
- f) Medical allowance ₹ 2,000 p.m.
- g) Furniture at cost ₹ 50,000 for which company pays ₹ 1,000 p.m. as rent.

### SECTION – C

Answer any two :

(2×16=32)

13. Explain the income tax provisions relating to types of Provident Fund.

14. Compute the Gross Total Income of Mr. Sachin, from the following particulars, if he is :

- a) OR
- b) NOR
- c) NR.

- 1) Income from assets in Kundapura received in Mangaluru ₹ 60,000.
- 2) Income from business in Udupi managed in Dubai ₹ 1,45,000.



- 3) Income from services rendered in Bengaluru, received in London ₹ 3,00,000.
  - 4) Profit from Business in Mangaluru, deposited in a Bank there ₹ 78,000.
  - 5) Income from Profession in Srilanka received there .The Profession was set-up in India ₹ 2,30,000.
  - 6) Interest on Foreign Government securities, half of which is received in India ₹ 80,000.
  - 7) Dividend received from Infosys Ltd ₹ 40,000.
  - 8) Dividend received from SCDCC Bank Ltd. Mangaluru ₹ 25,000.
  - 9) Income from property in Dubai, received outside India ₹ 65,000.
  - 10) Income earned from business in Singapore, which is controlled from Udupi ( ₹ 30,000 is received in India ) ₹ 80,000.
  - 11) Profit on sale of Building in India but received in Dubai ₹ 22,000.
  - 12) Income from Agriculture in Mangaluru ₹ 35,000.
  - 13) Interest on Post office S.B. A/c ₹ 30,000.
  - 14) Gift from Friend received in Bengaluru ₹ 75,000.
  - 15) Gift from business partner received in London ₹ 40,000.
  - 16) Past untaxed foreign income brought into India ₹ 27,000.
15. Sri Jagadish is the manager of Asian Paints Ltd. posted at Mangaluru (Population below 12 Lakh ). He furnishes the following particulars :
- 1) Net Salary ₹ 8,50,000 after deduction of ₹ 6,000 for income tax, ₹ 40,000 as contribution to the provident fund, ₹ 24,000 as rent of House, and ₹ 12,000 as life insurance premium.
  - 2) Dearness allowance ₹ 8,000 p.m. ( ₹ 6,000 p.m. enters into retirement benefits).
  - 3) Bonus ₹ 30,000.
  - 4) Travelling Allowance for Tour ₹ 30,000.
  - 5) TA for official duty ₹ 20,000, actual expenses being ₹ 15,000.
  - 6) He lived in a House owned by the company. Its FRV is ₹ 8,000 p.m. The company paid in respect of this House ₹ 5,000 for electric bill and ₹ 1,500 for water bill.
  - 7) He owns a car of 2 C.C. and the company meets the entire expenses amounting to ₹ 3,000 p.m. The car is used for both purposes.
  - 8) Two of his children are studying in the school run by the company. The cost in a similar institution in the locality is ₹ 1,500 p.m. per child.
  - 9) His father was admitted to a private hospital and medical bill amounted to ₹ 40,000. Company paid 80 % of this bill amount.
  - 10) He completed the construction of his house on 01-12-2021. For this he took a loan from a bank. During the year he paid ₹ 15,000 as interest on the loan and ₹ 10,000 towards principal amount.



- 11) He paid ₹ 8,000 as premium on life insurance.
- 12) His club-bills and telephone bills of his residence amounting ₹ 2,000 and ₹ 5,000 respectively are paid by the company.
- 13) The following amounts were deposited in his provident fund account :
  - Own contribution ₹ 40,000.
  - Company's contribution ₹ 40,000
  - Interest @ 10 % p.a. ₹ 18,000.

Compute his taxable salary under Existing Tax Regime.

16. Mr. Manoj Kamath is a private employee furnished the following details of his salary for the P.Y.

- 1) Basic pay ₹ 21,000 p.m.
- 2) D. A. ₹ 6,000 p.m. (100 % enters into retirement benefits)
- 3) Entertainment allowance ₹ 300 p.m. (actual expenses ₹ 250 p.m)
- 4) Helper allowance ₹ 800 p.m., Salary paid to helper ₹ 600 p.m.
- 5) Employer's and his contribution to Recognised Provident Fund ₹ 3,000 p.m. each.
- 6) Interest credited on the accumulated balance of the fund at 13.5% p.a. ₹ 5,200.
- 7) CCA ₹ 300 p.m.
- 8) Medical allowance ₹ 200 p.m.
- 9) He is also provided with furnished accommodation for this company charged ₹ 400 p.m. The house is owned by the employer. Cost of furniture provided amounts to ₹ 30,000.
- 10) Surrender of earned leave and he gets an amount of ₹ 25,000.
- 11) He received education allowance of ₹ 4,950 for two childrens.
- 12) He received Hostel allowance of ₹ 400 p.m ( one child stays in a hostel).
- 13) He was provided free-lunch during working hours by the employer for 300 days. The cost per meal is ₹ 70.

His payments were :

- Professional tax ₹ 2,200.
- Income tax ₹ 4,000.
- Invested in PPF ₹ 10,000.
- Mutual Fund ₹ 40,000.

Compute taxable salary and deduction u/s 80 C under Existing Tax Regime. (city population is 18 lakh ).