Register Number:

Date:

****

 **ST. JOSEPH’S COLLEGE (AUTONOMOUS) BENGALURU-27**

**B.COM: VI SEMESTER**

 **SEMESTER EXAMINATION: APRIL 2022**

 (Examination conducted in July-August 2022)

 **BC 6218/BPS 6218: Income Tax II**

**TIME: 21/2 Hours MAX. MARKS: 70**

**This paper contains four printed pages and four parts**

**SECTION A**

**Answer any FIVE of the following. Each question carries two marks. (5x2=10)**

1. Define Profession.
2. Enlist any four incomes chargeable to tax under the head income from other sources.
3. Give the meaning of long term capital asset.
4. State the provisions u/s 80GGA.
5. If net income from horse race is 210000, find the gross amount.
6. Mention any four types of individual assessment.

**SECTION B**

**Answer any THREE of the following. Each question carries five marks. (3x5=15)**

1. Miss Tina owns a manufacturing unit in Mumbai. She needs your advice on admissibility of following transaction while computing income from business (With reason).

a. Income tax paid Rs.30,000.

b. Outstanding GST of previous years paid during the year Rs.20,000.

c. Interest paid on loan taken for daughter’s marriage Rs.8,000.

d. Donation to political party Rs.50,000.

e. Legal expenses Rs.10,000 to defend the title of an assessee’s assets.

1. Compute total income of Sri Bhandari from the following information.

a. Taxable Salary (Net) Rs.75000

b. Income from other sources Rs. 20,000

c. Agricultural income Rs. 4000

d. He deposited in LIC annuity plan Rs.18000. He paid medical insurance premium by cheque for his dependent blind mother (certified as severe disable person), aged 68 years, Rs.20,000.

 **BC6218/BPS6218-A-22**

1. Mr. X furnish following particulars of his income for the P.Y. 2020-21. You are required to compute his income from other sources for the Assessment Year 2021-22

a. Interest on listed securities (Net) Rs. 8,980

b. Dividend from foreign company (Gross) Rs.16,000

c. Winnings from Horse race (Net) Rs.17,780

d. Interest on debentures of a local authority (Gross) Rs.7,200

e. Interest on post office savings Bank Rs.1,500.

1. State the provisions relating to carry forward and set off of loss of the following.

a. Loss from House Property

b. Long term capital loss.

**SECTION C**

**Answer any TWO of the following. Each question carries fifteen marks. (2x15=30)**

1. Compute income from other sources of Mr. Ravi for the AY 2021-22. From the following information

a. Rs. 50,000, 13.5% securities of a Textile Company Limited (Listed).

b. Rs. 55,000, 11% debentures of TATA Motors Limited.

c. Rs. 4,500, received as interest on debenture of Deepak Fertilizers.

d. Rs. 9,000 received as interest on Karnataka Govt. Bonds.

e. Rs. 8,000 received as interest on tax free securities issued by a Public Limited Co; (Listed).

 f. Rs. 40,000, 10% tax free commercial securities

g. Rs. 20,000, 10% Central Government securities.

h. Rs. 30,000, 15% securities issued by Municipal Corporation.

i. Dividend from Infosys limited 2000 (gross).

1. The following is the receipts and Payments Account of a Medical Practitioner Dr. Sundar for the year ended 31-3-2021.

**Receipts and Payment Account**

|  |  |  |  |
| --- | --- | --- | --- |
| **Receipts** | **Amount (Rs.)** | **Payment** | **Amount (Rs.)** |
| To Balance b/dTo Visiting feesTo Consultation feesTo Sale of medicineTo Operation theatre rentTo Interest | 1,20,00080,00065,00045,00025,00025,000 | By Clinic rentBy Staff SalariesBy Rent and TaxesBy Electricity and water chargesBy Purchase of medical booksBy Purchase of surgical equipment’sBy Motor car expensesBy Medical association member feesBy Audit feesBy Staff welfare expensesBy Diwali expensesBy Entertainment expensesBy Medicines PurchasedBy Balance c/d | 25,00080,00025,00014,00014,00040,00010,0005,00020,00012,0006,00012,00030,00067,000 |
|  | **3,60,000** |  | **3,60,000** |

**Additional Information:**

a. Gift from patient Rs.4,000 was given to him by a patient not included in the account.

b. ¼ of the motor car expenses relate to personal use.

c. The rate of depreciation on surgical equipment’s is 15%.

d. Interest received is on Bank deposits.

e. Audit fee includes income tax appeal expenses of Rs.10,000. Compute his income from Profession for the Assessment year 2021-22.

1. Mr. Aneesh sold some of his properties during the year 1-4-2020 to 31-3-2021 are as under.
2. Jewellery costing Rs.1,60,000 was sold for Rs.3,00,000 in May 2020 (which was purchased in June 2016)
3. Residential house at Bangalore which was inherited by him in 1994 sold for Rs. 50,00,000 on 31-10-2020. FMV on 1-4-2001 was Rs. 8,28,000. Cost of improvement made during the year 2011-12 was Rs. 1,92,000. Expenses on transfer Rs. 50,000. He purchased a flat on 1-5-2021 for 15,00,000.
4. Household furniture costing Rs.28,000 in 2012-13 was sold in march 2020 Rs.52,000
5. Machinery W.D.V on 1-4-2020 was Rs. 76000 was sold on 1-12-2020 Rs.90,000.
6. Self-cultivated land was compulsory acquired under law Rs. 28,00,000 on 1-1-2021 and its cost in 2004-05 Rs.4,80,000. He purchased an agricultural land 1-3-2022.

Compute his total capital gain.

(CII 2000-01 = 100, 2004-05 = 113, 2011-12 = 184, 2020-21 = 301, 12-13=200)

**SECTION D**

**Answer the following compulsory question. The question carries fifteen marks. (1x15=15)**

14. Following are the details of Mr. Samarth for the previous year 2020-21

1. Gross salary ₹5,54,000
2. Income from house property (Computed) ₹72,000
3. Income from business (Computed) ₹3,37,000
4. Income from profession of consulting (Computed) ₹1,18,000
5. Short term capital gain on sale of Jewellery ₹57,000
6. Short term capital gain on sale of shares ₹49,000 (Not subject to STT)
7. Long term capital gain on sale of land ₹1,33,000
8. Income from other sources (including lottery winnings of ₹1,00,000 Net) ₹1,79,000.
9. Samarth is eligible for deduction under various sections of 80C to the extent of ₹1,47,000 for the PY 2020-21 he had paid an advance tax of ₹49,000 and tax was deducted at source from lottery winnings at the rate of 30%.

Compute the Net tax liability of Mr. Samarth for the assessment year 2021-22 if he is a resident aged about 58 years, under Existing Tax Regime.