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

**B.Com–VI SEMESTER**

**SEMESTER EXAMINATION: APRIL 2023**

**(Examination conducted in May 2023)**

**BC6218/BPS6218 – INCOME TAX II**

**(For current batch students only)**

**Time: 2 ½ Hours Max Marks: 70**

**This paper contains \_\_\_\_\_\_ printed pages and \_\_4\_\_\_ parts**

**Section A**

**I.** Answer ***any five*** of the following (**2 x 5 = 10 marks)**

1. Mention the provisions of Section 80 U.
2. What is Rebate U/S 87A?
3. What is re-assessment?
4. Mention any four assets which do not come under the term capital asset.
5. What is a block of asset?
6. The net winning from a race is Rs.2,06,400, find the gross amount.

**Section B**

**II.** Answer ***any three*** of the following (**5 x 3 = 15 marks)**

1. State the rules of set off and carry forward of losses as per Income Tax Act, 1961.
2. Compute the eligible deduction under chapter VI-A for the AY 2023-24 of Ms Reena, aged 40 years, who has a gross total income of Rs.15,00,000 for the AY. 2023-24 and provides the following information about her investments/payments during the PY 2022-23.

| **Particulars**  | **₹** |
| --- | --- |
| 1. Life insurance premium paid (policy taken on 31-03-2012 and sum assured is 4,40,000)
 | 35,000 |
| 1. Public provident fund contribution
 | 1,50,000 |
| 1. Repayment of housing loan to Bhartiya Mahila Bank, Bangalore
 | 20,000 |
| 1. Payment of L.I.C pension fund
 | 1,40,000 |
| 1. Medi claim policy taken for self, spouse and dependent children, premium paid by cheque
 | 30,000 |
| 1. Medical insurance premium paid by cheque for parents( senior citizens)
 | 52000 |

1. Examine under which heads the following incomes are taxable:
2. Rental income from own property
3. Dividend on shares
4. Salary received by a partner from his partnership firm
5. Rental income of machinery
6. Winnings from lotteries
7. Salaries payable to a member of parliament
8. Gifts from patients
9. Royalty income from authoring books
10. Rental income in case of a person engaged in the business of letting out of properties
11. Income from sale of plot and jewellery
12. Compute tax liability in the following cases, for the AY 2023-24, if advance tax paid in Rs 80,000 under existing tax regime:
	* 1. Case 1: If Total income of Mr Sri Chandan aged 33 is 12,80,000
		2. Case 2: If Total income of Mr G aged 75 is 10,28,200

**Section C**

**III.** Answer ***any two*** of the following (**15 x 2 = 30 marks)**

1.
2. Mr Sidhartha has a residential house property taxable u/s 22. Such property is acquired on 12/08/2005 for Rs 2,00,000. The property is sold on 1/03/2023 for Rs 25,00,000. He acquired another residential house on 31/03/2023 for Rs 17,00,000 for self-occupation. On 1/3/2024, he sold such new residential house for Rs 30,00,000. Compute his capital gain for the AY 2023-24 and 2024-25. (10Marks)

CII 2004-05:113, 2005-06:117, 2022-23:331, 2021-22:317

1. State the provisions of section 54 F. (5Marks)
2. Dr. Ashok (resident) is a professor of Economics. He submits the following information and wants you to compute his income from other sources for the A.Y. 2023-24.

a) He is an author of a text book and received royalty of ₹ 45,000. He claims the following deductions from this amount:(i) Salary to clerk for gathering information for him to write the book ₹ 5,000 ii) Cost of books purchased ₹1,000 for reference work in order to write his book. (iii) Telephone expenses of ₹8000 in connection with printing and publication of the book

b) Income from articles published in "Economic Times" ₹ 7,000

1. He lives in a rented house paying a rent of ₹ 4,000 p.m. He has sub-let half portion of the house for a rent of ₹ 3,000 p.m. Dr.. Ashok pays the municipal tax for the whole house ₹4,000
2. He received ₹ 200 per lecture delivered at the Economics Institute during the year, he delivered 22 guest lectures.
3. As an examiner of various universities he received remuneration of ₹ 5,000.
4. His other incomes were: Winnings from lottery ₹ 21,000 (net) and Interest on Govt. of England Bonds ₹3,000.

 q) Interest on P.O.S.B A/c ₹ 1,000.

 h) Interest received on deposit with a firm ₹ 5,400(Net).

1. Dr.Veneeth is a leading doctor who maintains his book of account on cash basis furnishes the following receipts and payments A/c for the financial year 2022-23.

**Receipts and Payments Account for the year ending 31st March 2022**

| **Receipts** | **Rs** | **Payments** | **Rs** |
| --- | --- | --- | --- |
| Balance b/d | 10,000 | Salaries, General expenses | 25,000 |
| Professional fees | 1,00,000 | Magazine Subscription | 3,000 |
| Dividend from an Indian Co. | 9,000 | Motor Car expense | 20,000 |
| Share from HUF | 11,000 | Purchase of scanning machine | 50,000 |
| Share of Profits frompartnership firm | 15,000 | Income tax | 5,000 |
|  |  | Professional tax | 2,000 |
|  |  | House property expenses:Taxes 6,000Repairs 3,000Interest on loan 9,000 |  18,000 |
|  |  | Balance c/d | 22,000 |
|  | 145,000 |  | 145,000 |

Compute income from profession for the relevant assessment year 2023-24 after taking into account the following information:

1. 30% of the car expenses are in respect of personal use.
2. Depreciate scanning machine @ 15% it was purchased on 10th Dec. 2022.
3. He stays in his house; One-third of the house is used as his clinic. The gross annual value of the whole house is ₹ 24,000.

**Section D**

**III. Answer the following (15marks)**

1. Following are the details of Mr. Sharath for the previous year 2022-23
2. Gross salary ₹5,54,000
3. Income from house property (Computed) ₹72,000
4. Income from business (Computed) ₹3,37,000
5. Income from profession of consulting (Computed) ₹1,18,000
6. Short term capital gain on sale of Jewellery ₹57,000
7. Short term capital gain on sale of shares ₹49,000 (Not subject to STT)
8. Long term capital gain on sale of land ₹1,33,000
9. Income from other sources (including lottery winnings of ₹1,00,000 Net) ₹1,79,000.
10. Sharath is eligible for deduction under various sections of 80C to the extent of ₹1,47,000 for the PY 2022-23 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. Sharath for the assessment year 2023-24 if he is a resident aged about 58 years, under Existing Tax Regime.