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

Registration Number:

Date & Session

**B.Com–V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November /December 2023)**

**BC 5223 / BPS 5223 INCOME TAX I**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

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

**I.** Answer ***any five*** of the following (**3 x 5 = 15 marks)**

1. List any three cannons of taxation
2. How is commuted pension different from uncommuted pension?
3. What are perquisites? Give an example
4. Ms. X left India for the first time on 15th June 2022 for the purpose of employment. Comment on her residential status for AY 2023-24.
5. Who can claim transport allowance exemption and to what extent?
6. Y takes a loan of Rs. 45,000 at 15% p.a for constructing a house on 1/6/2016. Construction of the house was completed on 20/1/2022. Date of loan repayment is 30/9/2019. Compute the amount of interest.

**Section B**

**II.** Answer ***any two*** of the following (**5 x 2 = 10 marks)**

1. Miss Y(resident) is employed in an MNC in Bangalore. She gives you the following particulars.

* Basic Salary Rs. 12500 p.m
* D.A 30% of basic which is treated as part of salary for retirement benefits.
* The company provides her a car (1800CC) with a driver and all the expenses are met by the employer.
* She is provided with fully furnished accommodation. The FRV of accommodation is Rs.10000 p.m. The rental charges paid by the company for use of furniture amounts to Rs. 9800.
* Mediclaim insurance paid by the employer in her life is Rs. 5000
* Free refreshments during office hours Rs. 4000PM

**Compute taxable perquisites.**

1. Compute income from house property of Ms. L. She has three self occupied houses, the details of which are given below:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | House Property I | House Property II | House Property III |
| Municipal Valuation | 23,000 | 18,000 | 9,000 |
| Fair Rental Value | 25,000 | 15,000 | 5,000 |
| Standard Rent | 20,000 | 20,000 | 10,000 |
| Actual Rent | - | - | - |

1. State whether the following incomes are agricultural incomes or not:
   1. Income from the sale of forest trees of spontaneous growth.
   2. Income from growing and maintaining nursery
   3. Income from growing and manufacturing tea.
   4. Income from poultry farming.
   5. Dividend received from company engaged in agricultural operations.

**Section C**

**III.** Answer ***any two*** of the following (**10 x 2 = 20 marks)**

1. Following are the particulars of two let out houses of Mr. A. Compute his income from house property.

|  |  |  |
| --- | --- | --- |
| Particulars | House A | House B |
| Municipal Valuation | 4,20,000 | 3,50,000 |
| Fair Rental Value | 3,60,000 | 3,80,000 |
| Standard Rent | 4,40,000 | 3,20,000 |
| Actual Rent | 4,80,000 | 4,20,000 |
| Unrealized rent | 40,000 | 35,000 |
| Vacancy | 2 months |  |
| Municipal Tax  Actually paid  Due but not paid | 12,000  30,000 | 25,000  10,000 |
| Repairs | 10,000 | 8,000 |

1. Mr. Raju an employee of Prime Enterprises retired from his service on 30-06-2022 after 23 years and 7 months of service. At the time of retirement, he received a basic salary of Rs. 15,000 p.m, Dearness Allowance (60% entering retirement benefits) of Rs. 6,000 pm and commission of Rs. 3,000 pm.

He was entitled to 40 days of leave for every completed year of service. At the time of retirement his pension was fixed at 20,000pm and he received Rs. 3,50,000 as leave encashment. He has previously encashed 2 months of leave and had taken 300 days of leave. On 1-1-2023 Mr. Raju decided to commute 60% of the pension and received Rs. 6,00,000.

Determine the gross taxable salary for assessment year 2023-24 if Mr. Raju is not a recipient of gratuity at the time of retirement.

1. Explain the various forms of salary.

**Section D**

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

1. X is an employee in a private sector company. Given below are details furnished by X for the previous year 2022-2023.

* Basic Salary Rs. 25,000 per month
* Dearness Allowance Rs. 12,000 per month (Does not enter retirement benefits)
* City compensatory allowance Rs. 600 per month
* Education Allowance for three children at Rs. 350 per month per child
* Entertainment Allowance Rs. 750 per month.
* House rent allowance Rs. 5,600 per month. But he pays Rs. 7,500 per month as actual rent
* Conveyance allowance of Rs. 12,000 for visiting the branches (50% spent).
* He and company contribute 14% of salary towards Recognized Provident Fund
* Interest on Recognized Provident Fund was Rs. 15,000 at 15% per annum
* Reimbursement of Internet bill Rs. 8,000, used for work purposes.

Compute taxable Salary for Assessment year 2023-2024 if X is under the old regime.