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

Registration Number:

Date & Session

**B.Com–6th SEMESTER**

**SEMESTER EXAMINATION: APRIL 2024**

**(Examination conducted in May /June 2024)**

**BC6223 /BPS6223 : INCOME TAX II**

**(For current batch students only)**

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

**This paper contains \_\_3\_\_\_\_ printed pages and \_\_4\_\_\_ parts**

**PART A**

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

1. Highlight any six inadmissible expenses in computing income from business.
2. Mention the formula for computing indexed cost of acquisition and indexed cost of improvement in capital gains.
3. State any three expenditures allowed as deductions as per section 57.
4. An individual assessee, resident in India, has made the following deposit/payment during the previous year 22-23.

|  |  |
| --- | --- |
| Particulars | Amount in Rs. |
| Contribution to the public provident fund  Insurance premium paid on the life of the spouse (Policy taken on 1.4.2015) (Assured value Rs.2,00,000) | 1,50,000  25,000 |

What is the deduction allowable under section 80C for A.Y. 2023-24?

1. Give the meaning of Self-assessment and Summary assessment.
2. The net winning from lottery is Rs.70,000. Find the gross amount.

**PART B**

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

1. Mr. Clifford, aged 40 years, paid medical insurance premium of Rs. 20,000 during the P.Y. 2022-23 to insure his health as well as the health of his spouse. He also paid medical insurance premium of ` 47,000 during the year to insure the health of his father, aged 63 years, who is not dependent on him. He contributed Rs. 3,600 to Central Government Health Scheme during the year. He has incurred Rs. 3,000 in cash on preventive health check-up of himself and his spouse and Rs. 4,000 by cheque on preventive health check-up of his father. Compute the deduction allowable under section 80D for the A.Y. 2023-24.
2. State the provisions relating to carry forward and set off of losses.
3. Show the head of income under which the following items would be charged:

a. Salary received by prime minister of India.

b. Income from sale of shares.

c. Rent received by letting out own house.

d. Director’s commission for standing as a guarantor to bankers.

e. Interest from bank fixed deposits received by a salaried employee.

**PART C**

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

1. Mr. Chethan sold the following assets during the previous year 2022-23.
2. A residential house property was sold in November 2022 for Rs. 36,00,000 by paying a brokerage of 2%. This property was purchased in May 2001 at a cost of Rs. 3,36,000. It was renovated in 2008-09 at a cost of Rs. 2,52,000. He purchased a residential house property for Rs. 15,00,000 in January 2023.
3. 1500 equity shares of steel limited (unlisted) were sold at Rs.800 per share by paying a brokerage of 0.5% in January 2023. These shares were purchased in April 2008 at Rs. 1,400 per share by paying a brokerage 1%.
4. Jewellery was sold for Rs. 8,00,000. This was purchased in April 2008 for Rs. 4,20,000.
5. He sold urban plot of land for Rs.38,00,000 by paying a brokerage of 2%. This was purchased in April 2009 for Rs.8,00,000 by paying a brokerage of 1.5%. He invested in bonds of NHAI Rs.3,00,000 and deposited Rs.1,00,000 in CAGS. Calculate the capital gain for AY 2023-24.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | 2001-02 | 2008-09 | 2009-10 | 2017-18 | 2022-23 |
| CII | 100 | 137 | 148 | 272 | 331 |

1. Following is the receipts and payments account of a medical practitioner Dr. Hari for the year ending 31-3-2023.

**Receipts and Payments Account for the year ended 31-03-2023**

|  |  |  |  |
| --- | --- | --- | --- |
| **Receipts** | **Amount in Rs.** | **Payments** | **Amount in Rs.** |
| To Balance c/d  To Visiting fees  To Consultation fees  To Sale of Medicine  To operation theatre rent  To Interest | 50,000  1,50,000  65,000  45,000  25,000  25,000 | By Clinic rent  By staff salaries  By Rent and taxes  By Electricity & water charges  By Purchase of medical books  By Purchase of surgical equipment’s  By motor car expenses  By medical association member fees  By Audit fees  By staff welfare expenses  By Diwali expenses  By Entertainment expenses  By medicines purchased  By Balance c/d | 25,000  80,000  25,000  14,000  14,000  40,000  10,000  5,000  20,000  12,000  6,000  12,000  30,000  67,000 |
|  | **3,60,000** |  | **3,60,000** |

Additional Information:

a. Gift from patient Rs.4000 was given to him by a patient not included in the account.

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

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

d. Interest received is on bank deposits.

e. Audit fee includes income tax appeal expense of Rs.10,000. Compute his taxable income from profession for the assessment year 2023-24.

1. Mr. Ravi submit the following particulars of his income from other sources for the year ending 31st March 2023.
2. Family Pension from Govt of Karnataka yearly Rs.42,000.
3. Royalty from books written Rs. 20,000 (Expenses incurred for this purpose Rs. 2,500)
4. Remuneration from articles published in a magazine Rs.2000.
5. Cash worth Rs.1,00,000 was found in her private locker. The source of which could not be explained by her.
6. Interest on fixed deposit in a bank Rs.15,000 (Gross)
7. Rent from subletting a house Rs.1500 p.m. (Rent paid to the owner Rs.1000 p.m. and repair expenses Rs.200)
8. Winning from lottery net Rs.70,000 (Purchases of lottery tickets Rs. 100)
9. Winning from horse race Rs.35,000 (Net).

Compute his taxable Income from other sources for the A.Y. 2023-24.

**PART D**

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

1. The following are the different incomes earned by Prof. Srinivas (age 38) during the PY 2022-23.

a. Computed Salary 5,88,880.

b. Income from house property (Computed) Rs.29,560.

c. He received Rs.3500 for writing articles in a journal.

d. He paid Rs.2000 (by cheque) to G.I.C under Mediclaim.

e. Interest on postal savings bank deposit Rs. 6500.

f. Interest (gross) Rs. 2,500.

g. Examinership remuneration Rs.3500.

h. During the year, he sold his plot and earned long term capital gains of Rs. 40,000.

During the year he paid Rs.14,000 as life insurance premium on his own policies and spent Rs. 600 on books purchased for his own use.

Find out his Total income and tax liability under old regime and new regime.

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