

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN
NUVEM-GOA**

SEMESTER END EXAMINATION, JUNE 2022

Semester: IV OF BCOM

Course Title: INCOME TAX (DIRECT TAX) Course Code: UCOC109

Total Marks: 80 Date: 9/06/2022 Duration: 2 Hours Total No of Pages:3

Instructions: 1) Q. No. 1 is compulsory.

*2) Answer any **THREE** questions from Q. No. 2 to Q. No. 6.*

*3) Figures to the **right** indicate **marks**.*

4) Use of non-programmable calculators is allowed.

5) All questions to be answered w.r.t. Indian Income Tax Act, 1961.

[5]

Q.1. A] Mr. Baingan is engaged in retail garment trade at Mumbai. His gross sales turnover during the year 2020-21 was ₹ 1,38,00,000. The following expenses were incurred during the year:

Cost of goods sold	₹ 94,50,000
Depreciation	₹ 40,000
Salaries of staff	₹ 15,000
Other income during the year	₹ 2,30,000

Compute his income u/s 44AD for the Assessment Year 2021-22.

[5]

B] Miss Bhindi is working at Delhi as a senior manager on a basic salary of ₹ 50,000 per month and D.A. ₹ 20,000 per month (D.A. is considered for retirement benefits). She also received H.R.A. of ₹ 15,000 per month and arrears of salary ₹ 60,000. She paid rent of ₹ 12,000 per month for a house at Delhi for 10 months from 1st April, 2020 to 31st January, 2021. Thereafter, she started staying in her own new house.

Compute the amount of taxable H.R.A. for the Assessment Year 2021-22.

[5]

C] Mr. Aaloo gives you the details of his eligible investments/payments for the Previous Year 2020-21:

i. Investment U/s 80C	₹ 1,20,000
ii. Investment U/s 80CCC	₹ 20,000
iii. Investment U/s 80CCD(1)	₹ 30,000
iv. Investment U/s 80CCD(2)	₹ 30,000
v. Investment U/s 80CCD(1B)	₹ 40,000

Compute the total deduction available to him under Chapter VI-A for the Assessment Year 2021-22.

[5]

D] Ms. Tamatar, an IT professional and a resident in India, aged 42 years, provides the following particulars of her income for the previous year 2020-21:

Gross Total Income ₹ 25,00,000

Deductions under chapter VI A ₹ 3,52,000

Compute her Taxable Income and Tax Payable for the Assessment Year 2021-22 under regular tax regime (old tax regime).

[20]

Q. 2. Mrs. Pyaaz, a Central Government employee in Goa receives the following emoluments for the year ending March 31, 2021:

Basic salary ₹ 1,43,000 p.m.

Dearness Allowance 4% of Basic Salary

House Rent Allowance (she stays in her own house) 16% of Basic Salary

Transport Allowance ₹ 3,740 p.m.

Leave salary ₹ 25,000

Entertainment Allowance ₹ 500 p.m.

Uniform Allowance ₹ 1,800 p.a. She has actually spent ₹ 2,400 p.a.

Employer's Contribution to recognized provident fund ₹ 1,54,720

Interest credited to above provident fund account @ 10% p.a. ₹ 15,472

Leave Travel Concession received from employer ₹ 1,10,000. She spent ₹ 94,000 on travelling.

Reimbursement of medical expenses incurred on medical treatment of her husband in a private hospital ₹ 54,000.

Insurance premium paid by the employer on life of the assessee ₹ 1,500.

Mrs. Pyaaz suffers from 60% disability. Compute her Taxable Income from Salaries for the Assessment Year 2021-22.

[20]

Q.3. Mrs. Lauki provides the following Profit and Loss Account of her sole proprietary business for the year ending 31st March, 2021:

Particular	₹	Particular	₹
Office expenses	1,00,000	Gross profit	9,50,000
Donation	5,600	Income from UTI	13,000
Salary to employees	2,89,000	Interest on infrastructure Bonds	10,000
Advertisement expenditure	1,16,500	Dividend on shares	12,000
Income tax	1,12,700		
Printing and stationery	69,000		
Entertainment expenditure	19,200		
Provision for bad debts	15,500		
Penalty levied by excise dept.	9,000		
Depreciation	1,08,000		
Provision for Bonus	36,700		
Net profit	<u>1,03,800</u>		<u>-</u>
	<u>9,85,000</u>		<u>9,85,000</u>

Additional information:

- Salary includes ₹ 1,00,000 paid to her husband which is unreasonable to the extent of ₹ 40,000.
- Entertainment expenditure includes ₹ 10,000 incurred for arranging a birthday party of her son.
- Printing and Stationery includes a bill of ₹ 50,000 paid by a bearer cheque to the supplier.

- d) Depreciation admissible under the Income Tax Rules is ₹ 88,000.
- e) Advertisement expenditure includes an amount of ₹ 65,000 towards an advertisement published in a souvenir of a political party.

Compute her income under the head 'Profits and Gains of Business or Profession' for the Assessment Year 2021-22.

Q.4. Write short notes on any FOUR of the following: [4x5=20]

- a. Define a 'Person' U/s 2(31).
- b. Scope of total income.
- c. Define 'Salary' U/s 17(1).
- d. Repairs and Insurance of Machinery, Plant and Furniture U/S 31.
- e. Deduction in respect of interest on loan taken for higher education U/s 80E.

Q.5. Write short notes on any FOUR of the following: [4x5=20]

- a. Define a 'Company' U/s 2(17)
- b. Profession Tax U/s 16(iii).
- c. Special Allowances exclusively to be incurred in the performance of duties of office U/s 10(14)(i).
- d. Unreasonable or excessive expenditure U/S 40A(2).
- e. Deduction in respect of interest on deposits in savings account U/S 80TTA.

Q.6. Write short notes on any FOUR of the following: [4x5=20]

- a. Amount received under Life Insurance Policy U/s 10(10D).
- b. Profits in Lieu of Salary U/S 17(3).
- c. Business of plying, hiring or leasing goods carriages U/s 44AE.
- d. Deduction in the case of person with disability U/s 80U.
- e. Tax slabs under Alternate Tax Regime U/s 115BAC.

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