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**PRESIDENCY
UNIVERSITY**

BENGALURU
School of Commerce

Mid - Term Examinations - November 2024

SEMESTER: 3RD

Course Code: COM2015

Course Name: INCOME TAX

Date: 05-11-2024

Time: 02.00pm to 03.30pm

Max Marks: 50

Weightage: 25%

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.

5Qx2M=10M

- | | | | | |
|---|---|---------|---|-----|
| 1 | Define person as per Income Tax Act, 1961. | 2 Marks | R | CO1 |
| 2 | Explain the meaning of Assessment Year and Previous Year. | 2 Marks | R | CO1 |
| 3 | List out the different types of residential status for an individual. | 2 Marks | R | CO1 |
| 4 | Describe the meaning of allowances and perquisites. | 2 Marks | R | CO2 |
| 5 | Mention the different types of Provident Fund. | 2 Marks | R | CO2 |

Part B

Answer ALL Questions. Each question carries 10 marks.

4QX10M=40M

- | | | | | |
|---|---|---------|----------|-----|
| 6 | Highlight the basic conditions and additional conditions for an individual to be declared as Resident and Ordinarily Resident and Resident but not Ordinarily Resident in India as per Income Tax Act, 1961. Also, explain who is a Non-Resident. | 10Marks | Remember | CO1 |
|---|---|---------|----------|-----|

Or

- 7 Explain the different heads of income as per Income Tax Act, 1961. **10Marks Remember CO1**
- 8 Bret Lee, an Australian Cricketer visits India for 100 days in every financial year. He has been doing the same for the past 10 financial year. **10Marks Remember CO1**
- a) Find out his residential status for the Assessment Year 2023-24
- b) Explain whether your observation will change if the mentioned facts relate to Mr. Dhoni, an Indian Cricketer who resides in Australia and represents the Australian Cricket Team.
- Or**
- 9 X came India for first time on July 24, 2019. From July 24, 2019 to December 25, 2020, he was in India. Again, he came to India on August 5, 2023 for employment purpose & left India on November 25, 2023 permanently. **10Marks Remember CO1**
- Determine his residential status for the previous year 2023-24 assuming -
- a) He is a foreign citizen b) He is an Indian citizen
- 10 List out the provisions related to incidence of tax as per Sec 5 of Income Tax Act, 1961 in case of Resident and Ordinarily Resident, Resident but not Ordinarily Resident and Non-Resident. **10Marks Understand CO2**
- Or**
- 11 Mr. Oldman retired from his job after 29 years 6 months and 15 days of service on 17/12/2023 and received gratuity amounting ₹4,00,000. His salary at the time of retirement was basic ₹6,000 p.m., dearness allowance ₹1,200 p.m., House rent allowance ₹2,000, Commission on turnover 1%, Commission on profit ₹5,000. He got an increment on 1/4/2023 of ₹1,000 p.m. in Basic. Turnover achieved by assessee ₹1,00,000 p.m. Calculate his taxable gratuity if he is a — **10Marks Understand CO2**
- a) Non-Government employee, covered by the Payment of Gratuity Act;
- b) Non-Government employee not covered by the Payment of Gratuity Act.

12 Mention the provisions related to taxability of House Rent Allowances as per provisions of Income Tax Act, 1961. **10Marks Understand CO2**

X, a resident of Ajmer, receives ₹48,000 as basic salaries during the previous year 2023-24. In addition, he gets ₹4,800 as dearness allowance forming part of basic salary, 7% commission on sales made by him (sale made by X during the relevant previous year is ₹86,000) and ₹6,000 as house rent allowance. He, however, pays ₹5,800 as house rent. Determine the amount of taxable house rent allowance.

Or

13 Mr. Chauhan has the following salary structure: **10Marks Understand CO2**

- a) Basic Salary ₹5,000 p.m.
- b) Entertainment Allowance ₹1,000 p.m.
- c) Education Allowance ₹500 p.m. (he has three children)
- d) DA ₹3,000 p.m.
- e) Fees ₹5,000 p.a.
- f) Bonus ₹10,000 p.a.
- g) Professional tax of employee paid by employer ₹2,000 for the year
- h) He has been provided a rent-free accommodation in Mumbai.
- i) 60% of DA only forms part of retirement benefits

Compute taxable value of accommodation in the hands of Mr. Chauhan in the following cases:

- (i) The employer owns such accommodation.
- (ii) The employer hires such accommodation at a monthly rent of ₹900.