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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF COMMERCE  
MID TERM EXAMINATION - MAY 2023**

**Semester :** Semester IV - 2022 - 23 - BCH - 2021

**Course Code :** COM3025

**Course Name :** Sem IV - COM3025 - Income Tax 2

**Program :** B.Com. Honors

**Date :** 19-MAY-2023

**Time :** 2.00 PM - 3.30 PM

**Max Marks :** 50

**Weightage :** 25%

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**Instructions:**

(i) Read all questions carefully and answer accordingly.

(ii) Question paper consists of 3 parts.

(iii) Scientific and non-programmable calculator are permitted.

(iv) Do not write any information on the question paper other than Roll Number.

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**PART A**

**ANSWER ALL THE QUESTIONS**

**(5 X 2 = 10M)**

1. Mention any 4 Professional Receipts of Advocate.

(CO1) [Knowledge]

2. Give the Meaning of Speculation business.

(CO1) [Knowledge]

3. Define Vocation.

(CO1) [Knowledge]

4. What is Capital Asset?

(CO2) [Knowledge]

5. What is Transfer?

(CO2) [Knowledge]

**PART B**

**ANSWER ALL THE QUESTIONS**

**(2 X 10 = 20M)**

6. Mr Rahim acquired a plot of land on 30/6/2001 (CII 100) for Rs3,20,000 and spent Rs48,500 on its registration and brokerage etc. he renovated the plot on in January 2011(CII 167) by spending Rs.50,000 and December 2018(CII 280) by spending Rs.65,000. This plot was sold for Rs15,00,000 on 30-6-2021 (CII 317). and paid brokerage charges of 15,000. He had purchased a house for Rs4,00,000 on 1/8/2021 for his own residence. Compute taxable income from capital gain for the A.Y.2022-23.

(CO2) [Comprehension]

7. A. Compute income from profession of Mr Nirmal, an advocate for the A.Y.2022-23

Receipts	Rs.	Payments	Rs.
To balance b/d	20,000	By salaries	80,000
To legal fees	1,80,000	By professional	
To gifts from clients	10,000	books (Annual)	20,000
To interest on		By printing charges	5,000
Government		By subscription to	
Securities	10,000	journals	8,000
To loan from bank	80,000	By rent of office	30,000
To rent from HP	90,000	By telephone charges	6,000
To share of income		By donation	90,000
From HUF	1,000	By balance c/d	1,52,000
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	3,91,000		3,91,000

B. Dr Chethan has provided the following information for the year ending 31/3/2022. Compute taxable income from profession for A.Y.2022-23.

Receipts: Visiting fee-Rs2,50,000, Consultation fee-Rs1,20,000, Gift from patients-Rs45,000, Sale of medicines-Rs65,000, Operation theatre fee- Rs75,000 & Dividend received-Rs5,000.

Payments: Salary to staff-Rs1,20,000, Clinic rent-Rs36,000, Purchase of medicines-Rs70,000, Professional books (Annual)-Rs20,000, Car Expenses (1/2 personal)-Rs5,000, Donation-Rs6,000 & LIC Premium-Rs2,500.

(CO1) [Comprehension]

### PART C

ANSWER THE FOLLOWING QUESTION

(1 X 20 = 20M)

8. Dr Puneet submits the following particulars, calculate the income from profession for the A.Y.2022-23.

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>	
To balance b/d	25,000	By salary to staff	36,000	
To consultation fee	75,000	By purchase of medicines	18,000	
To visiting fee	62,500	By professional books	10,000	
To agricultural income	40,000	By purchase of car	2,40,000	
To interest on bank deposits	10,000	By car expenses	20,000	
To gifts from patients	15,000	By computer purchased	50,000	
To rent from HP	48,000	By personal expenses	45,000	
To loan from bank for Profession	1,50,000	By income tax	15,000	
To operation charges	90,000	By LIC Premium	10,000	
To sale of medicines		By repayment of loan	35,000	
		32,500	By municipal tax on HP	5,000
		By interest on loan	7,500	
		By balance c/d	56,500	
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	5,48,000		5,48,000	

Additional Information:

1. 25% of car expenses relate to personal use.
2. Rate of depreciation on professional books 40%, car 15% and computer 60%
3. A cash gift of Rs2,500 received from a patient was not recorded in the books.

(CO1) [Application]