

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - 2022

Course Code : COM2015

Course Name : Income Tax

Program : B.Com. Honors

Date : 08-JAN-2024

Time : 1:00 PM - 4:00 PM

Max Marks : 100

Weightage : 50%

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.

PART A

ANSWER ALL THE QUESTIONS

5 X 2M = 10M

1. Define Assessee as per Income Tax Act, 1961.
(CO1) [Knowledge]
2. Mr. Raj, an Indian citizen, left India on 22.09.2022 for the first time to work as an officer of a company in Germany. Determine the residential status of Mr. Raj for the Assessment Year 2023-24.
(CO2) [Knowledge]
3. What are the basic conditions that has to be fulfilled for an individual to be resident in India?
(CO2) [Knowledge]
4. List two partially exempted income.
(CO3) [Knowledge]
5. Determine whether rent of ₹50,000 received from letting out agricultural land for a movie shooting is chargeable to tax.
(CO3) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

5 X 10M = 50M

6. "Gross total income is the aggregate of income under all the five heads of income after adjusting the set-off & carry forward of losses" Elucidate the statement highlighting the five heads of income under section 14 of Income Tax Act, 1961.
(CO1) [Comprehension]
7. Discuss the conditions to be fulfilled for an individual to be declared as resident and ordinarily resident in India.
Mr. Justin, a Canadian citizen, came to India for the first time during the PY 2018-19. During the financial year 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23, he was in India for 55 days, 60 days, 90 days, 150 days and 70 days, respectively. Determine his residential status for AY 2023-24.

(CO2) [Comprehension]

8. Mr. Buddha Singh retired from his job after 29 years 8 months and 15 days of service on 17/12/2022 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 1/4/2022 of ₹1,000 p.m. in Basic. Turnover achieved by assessee ₹1,00,000 p.m. Calculate his taxable gratuity if he is a :
- Government employee
 - Non-Government employee, covered by the Payment of Gratuity Act;
 - Non-Government employee not covered by the Payment of Gratuity Act.

(CO4) [Comprehension]

9. Define Salary under section 17(1) of Income Tax Act, 1961. Also explain the deductions under section 16.

(CO4) [Comprehension]

10. Find out the gross annual value in the following cases for the A.Y. 2023-24:

Particulars	H1 (₹)	H2 (₹)
Municipal Value p.a.	120,000	1,20,000
Fair Rent p.a.	1,40,000	1,40,000
Standard Rent under Rent Control Act p.a.	1,60,000	1,00,000
Actual Rent p.a.		
From April 1, 2022 to July 31, 2022	10,000	12,000
From Oct 1, 2022 to February, 2023	18,000	17,000
For the remaining period the property was vacant.		

(CO5) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2 X 20M = 40M

11. From the following particulars of Mr. Mohan, an employee of Bajaj Automobiles Ltd. in Chennai:

Basic Salary	₹16,000 for 9 months and ₹19,000 for 3 months
Dearness Allowance	₹1,000 per month
City Compensatory Allowance	10% of basic
Lunch Allowance	₹600 per month
Own contribution to Recognised Provident Fund	15% of basic and DA
His employer also contributed the same to RPF	
Interest credited to RPF @ 15%	₹9,000
Free supply of gas and electricity by the employer having market value	₹3,000
Entertainment Allowance	₹1,000 per month
Professional Tax paid by the employer to Govt.	₹960 (after deducting from salary)

He was provided a rent-free accommodation by her employer for which the employer is paying a rent of ₹1,60,000 and the cost of furniture to employer is ₹48,000

Compute income from salary of Mr. Mohan for Assessment Year 2023-24.

(CO4) [Application]

12. Mr. Arun Kumar is an employee of Infosys in Mumbai. He receives the following emoluments:

Basic Salary ₹1,00,000 p.m.

Dearness Allowance ₹20,000 pm

House Rent Allowance ₹15,000 per month where he pays ₹13,000 as rent.

Employers' contribution to RPF @ 15% of basic salary

Children education allowance ₹1,000 p.m. (He has two children)

Insurance premium paid by the employer ₹30,000 during the year

Mr Arun Kumar has a house property in Bengaluru whose gross annual value is ₹4,00,000. The municipal tax on the house is ₹10,000 which is unpaid.

Compute the total income of Mr. Arun Kumar for the AY 2023-24.

(CO4,CO5) [Application]