



DCBC – 602

**VI Semester B.Com. Examination, July/August 2024
(NEP) (Freshers)
COMMERCE**

Paper – 6.2 : Income Tax Law and Practice – II

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer should be written completely in **English** or **Kannada**.

SECTION – A

Answer **any five** sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**

1. a) What do you mean by depreciation ?
- b) Distinguish between profession and vocation.
- c) State the types of capital assets.
- d) Distinguish between long term and short term capital gain.
- e) Give the meaning of tax free commercial securities.
- f) Expand PAN and TDS.
- g) What is cost inflation index ?

SECTION – B

Answer **any three** questions. **Each** question carries **four** marks. **(3×4=12)**

2. State whether the following expenses are admissible or not, while calculating income from business/profession.
 - a) Repairs and renewals of business premises ₹ 20,000.
 - b) Employers contribution to RPF ₹ 25,000.
 - c) Commission of ₹ 50,000 paid to secure a business order.
 - d) Legal expenses for filing income tax appeal ₹ 50,000.

P.T.O.



3. Mr. Suresh submits the following details relating his income for the year ending 31st March 2023.

He holds the following investments.

- a) ₹ 1,00,000, 8% tax free commercial securities (not listed)
- b) ₹ 30,000, 7% debentures of JCT Mills Ltd.
- c) ₹ 72,000, 10% tax free debentures of LIC of India (listed).
- d) 10% UP state electricity board bonds ₹ 10,000.

Compute his taxable income from other sources in A.Y. 2023-24.

4. Smt. Amulya (age 56 years) an entrepreneur from Bangalore bought a gold jewellery in August 1984 for ₹ 38,000. She sold this stud for ₹ 5,80,000 in January 2023. The FMV on 1-4-2001 was ₹ 1,80,000.

[CII 2001-02 = 100, 2022-23 = 331].

Determine the capital gain for A.Y. 2023-24.

5. Mention the provisions for deduction u/s 80 GG of Income Tax Act, 1961.
6. The following are the particulars of Mr. Vinod for the previous year 2022-23. You are required to calculate his tax liability for the A.Y. 2023-24.
- a) Net total income – ₹ 9,90,000.
 - b) Long term capital gain – ₹ 36,000.
 - c) Income from other sources – ₹ 21,000.



SECTION – C

Answer **any three** questions. **Each** question carries **ten** marks.

(3×10=30)

7. From P and L A/c of Mr. X, a manufacturer, calculate the taxable income from business for year ending 31-3-2023.

P&L A/c

Particulars	₹	Particulars	₹
To Salary to employees	95,000	By Gross profit	3,00,000
To Advertisement expenses in cash	24,000	By Interest on securities	14,000
To General expenses	16,000	By Income from HP	25,000
To Entertainment Exp.	22,000	By Bad debts recovered (allowed earlier)	12,000
To Bad debts	1,500	By Profit on sale of Import license	80,000
To Drawing by proprietor	24,000		
To GST (due and paid on 01/07/2023)	6,000		
To Interest on proprietor's capital	7,000		
To Repairs	2,500		
To Rent	21,000		
To Legal expenses	5,000		
To Depreciation	15,000		



To Bonus (due)	6,000	
To Bonus to proprietor	4,000	
To Motor car purchase	72,000	
To Expenses on car	12,000	
To Donation	2,000	
To Provision for bad debt	6,000	
To Net profit	90,000	
	4,31,000	4,31,000

He gives you the additional information :

- ₹ 3,000 was spent on the purchase of land and is included in legal expenses.
- Half of repair expenses bear on let-out building.
- Depreciation allowable on all assets including motor car is ₹ 14,400.
- Bonus was paid to employees on 30/06/2023 and Mr. X filed his income on 31/07/2023.

8. Mr. Bharath is a reputed lawyer in Bangalore. He has prepared the following income and expenditure account for the year ending 31/03/2023.

Expenses	₹	Income	₹
Household expenses	12,000	Legal fees	1,26,000
Office expenses	7,000	Special commission	1,400
Charity	500	Consultation fees	2,000
Telephonic expenses	500	House rent	15,000



Income tax	900	Interest on Govt. securities	3,000
Rent	4,000	Salary as a part time lecturer	6,000
Gift to daughter	2,000		
Electricity charges	1,000		
Donation to NDF	1,000		
Contribution to PPF	2,400		
Journal subscription	3,000		
Salaries	15,000		
Purchase of motor car	60,000		
Purchase of furniture	2,000		
Life insurance premium	5,000		
Motor car expenses	6,000		
Purchase of type writer	6,000		
Excess of income over expenditure	25,100		
	1,53,400		1,53,400

Adjustment :

a) Mr. Bharath lives in one half of the house and the other half is used for office.

House rent and electricity charges are in respect of this house.

b) One half of the car expenses are for personal use.

c) Depreciate motor car and type writer @ 15% and furniture @ 10%.

Compute Mr. Bharath's income from profession for the A.Y. 2023-24.



9. Mr. Rajesh sold some of his properties during the year 01-04-2022 to 31-3-2023 is as under

- 1) Jewellery costing ₹ 1,60,000 was sold for ₹ 3,00,000 in May 2022, which has acquired in June 2018.
- 2) Residential house at Bangalore which was inherited by him 1994. Sale price on 31-3-2022 ₹ 17,00,000. FMV on 01-04-2001 ₹ 8,28,000. Cost of improvement made during the year 2011-12 ₹ 1,92,000. Expenses on transfer ₹ 50,000.
- 3) Household furniture costing ₹ 28,000 in 2012-13 was sold in March 2023 for ₹ 52,000.
- 4) Machinery WDV 01-04-2022 was ₹ 76,000 and was sold on 01-12-2022 for ₹ 90,000.
- 5) Self cultivated land was compulsorily acquired under law for ₹ 8,00,000 on 01-01-2023 and its cost in 2004-05 was ₹ 4,80,000.

Compute his total capital gains.

(CII 2000-01 = 100, 2004-05 = 113, 2011-12 = 184, 2022-23 = 331)

10. Compute income from other sources of Dr. Manohara a professor and resident of India for assessment year 2023-24.

- 1) Salary from college ₹ 25,000 p.m.
- 2) Royalty from book written on tax ₹ 2,00,000. He claims salary to a clerk ₹ 12,000 and telephone expenses ₹ 3,000 paid in this connection.
- 3) Income from articles published in Magazines ₹ 40,000.



- 4) He lives in rented house paying rent of ₹ 3,000 p.m. he sublet $\frac{1}{3}$ portion of this house at ₹ 1,500 p.m. He paid ₹ 6,000 of municipal tax on the whole house and paid ₹ 3,000 towards repair of the whole house as per the agreement.
- 5) He is examiner in several universities, from this source he received ₹ 12,600 during the year.
- 6) He delivered lecture at an institute and received 600 during the year per lecture for 20 lectures delivered.
- 7) Income from agriculture land situated in Sri Lanka ₹ 70,000.
- 8) ₹ 8,000 p.m. as scholarship for a research work from the UGC.

11. Ms. Rakshitha submits the following particulars income and expenses.

Incomes :

- a) Computed salary income ₹ 2,00,000.
- b) Computed income from property let out ₹ 65,000.
- c) Agriculture income from Bangladesh ₹ 1,00,000.
- d) Share of income from HUF ₹ 1,70,000.
- e) Computed income from STCG ₹ 75,000.

Expenses :

- a) Life insurance premium paid ₹ 28,000 (Sum assured ₹ 25,00,000)
- b) Medical insurance premium paid ₹ 18,000.
- c) Loan repayment towards home loan installment ₹ 20,000.
- d) Contribution of ₹ 20,000 to the Swatch Bharath Kosh set up by the Central Government.

You are required to compute the taxable income for the A.Y. 2023-24.



SECTION – D

Answer **any one** of the following.

(1×8=8)

12. a) You are required to write the provisions u/s 54.

OR

b) You are required to write the process of filing of return (E-filing procedure).

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ವಿಭಾಗ – ಎ

ಯಾವುದಾದರೂ ಐದು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪ-ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

(5×2=10)

1. a) ಸವಕಳಿಯ ಅರ್ಥವನ್ನು ತಿಳಿಸಿ.

b) ವೃತ್ತಿ ಮತ್ತು ಕಸುಬಿನ ವ್ಯತ್ಯಾಸ ತಿಳಿಸಿ.

c) ಬಂಡವಾಳ ಆಸ್ತಿಯ ಪ್ರಕಾರಗಳನ್ನು ತಿಳಿಸಿ.

d) ದೀರ್ಘಾವಧಿ ಮತ್ತು ಅಲ್ಪಾವಧಿಯ ಬಂಡವಾಳ ಲಾಭದ ನಡುವೆ ವ್ಯತ್ಯಾಸ ತಿಳಿಸಿ.

e) ತೆರಿಗೆ ಮುಕ್ತ ವಾಣಿಜ್ಯ ಭದ್ರತೆ ಎಂದರೇನು ?

f) PAN ಮತ್ತು TDS ನ್ನು ವಿಸ್ತರಿಸಿ.

g) ವೆಚ್ಚದ ಹಣದುಬ್ಬರ ಸೂಚ್ಯಂಕ ಎಂದರೇನು ?