Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics
Ponda-Goa

B. Com. Semester IV (CBCS) Examination, April 2023

INCOME TAX (DIRECT TAX)

Duration: 2 Hours **Marks: 80**

INSTRUCTIONS:

1. Question **No. 1** is compulsory.
2. Answer any **Three Questions** from Q. 2 to Q. 6.
3. Figures to the right indicate the marks allotted to the questions.
4. Questions are based on provisions of the assessment year 2022-23.
5. Give **working notes** wherever necessary.

Q. 1. Answer the following: **(4 × 5 marks)**

a. Total taxable income of Mr. A who is 65 years old is ₹ 35,00,000. Calculate his tax liability for the AY 2022-23 under old regime.

b. Following is the information relating to Land & Building in the books of Mr. B for the AY 2022-23. Compute the depreciation admissible

   i. Opening written down value of the block of asset as on 01/04/2021 ₹ 68,00,000.
   ii. Purchase of land & building for ₹ 50,00,000 on 01/11/2021.
   iii. Sale of land & building costing ₹ 30,00,000 for ₹ 28,00,000 on 30/08/2021.
   iv. Rate of depreciation admissible is 40%.

c. Mr. C is who is working in Mumbai as a software engineer furnishes the following details. Compute his taxable House Rent Allowance for the AY 2022-23.

   i. Basic salary of ₹1,50,000 per month.
   ii. Dearness allowance ₹ 50,000 per month.
   iii. House Rent Allowance ₹ 30,000 per month.
   iv. Actual rent paid ₹ 25,000 per month.

d. Mr. D who is an Indian citizen comes on a visit to India on 1st July 2021. He left India on 31st December 2021. Prior to 1st April 2021 his stay in India was as follows: 2017-18 - 365 days, 2018-19 - 365 days, 2019-20 - 366 days and 2020-21 - 365 days. What is his residential status for the assessment year 2022-23?

Q. 2. **(20 marks)**

Mr. E an employee of central government in Goa submits the following information:

1. Basic salary ₹ 40,000 p. m.
2. Dearness Allowance 40% of the basic salary.
3. House Rent Allowance ₹ 3,500 p. m.
4. Transport allowance ₹ 3,500 p. m.
5. Annual Bonus ₹ 15,000.
6. Entertainment allowance ₹ 15,000.
7. He is provided with a car for official use. Perquisite value of the same is ₹ 40,000.
8. Leave Travel Concession (LTC) received during the year in form of rail fare by shortest route ₹ 24,000. He had actually spent ₹ 30,000 for the journey.
9. Interest credited on Provident Fund ₹ 24,000. (Rate of interest 8%)
10. Rent paid by Mr. E ₹ 72,000 p. a.
11. Mr. E took a loan of ₹3,00,000 to buy a car.
12. Dividend received by Mr E during the year was ₹12,000.
13. Professional tax paid by Mr. E ₹ 2,000.

Compute his salary for the assessment year 2022- 23.

Q. 3. **(20 marks)**

Following is the Receipt and Payment Account of Mr. F, a lawyer for the year ended 31st March 2022.

Receipts	Amount	Payments	Amount
To Balance b/d	10,000	By Salaries to staff	56,000
To Arbitration fees	2,40,000	By Professional books	18,000
To Legal counselling income	30,000	By Subscription to journals	2,000
To Loan from bank	25,000	By Refreshment charges	4,000
To Rent from property	45,000	By Rent of office	15,000
To Interest on bank deposits	21,000	By Telephone charges	18,000
To Dividend on shares	8,000	By Printing charges	3,000
To Share of income from HUF	1,00,000	By Electricity charges	6,000
To Interest on securities	1,000	By Purchase of car	2,50,000
		By Purchase of computer	50,000
		By Car expenses	7,000
		By Contribution to PPF	10,000
		By NSC purchased	14,000
		By BAR Association fees	2,000
		By Balance c/d	25,000
	4,80,000		4,80,000

Additional information:

1. Half of the car expenses pertain to personal use.
2. Depreciation rate car – 15%, computer – 40% and books - 40%.
3. 25% of the telephone expenses pertain to personal use.
4. Half of the electricity charges are for house property.
5. Gifts from clients ₹ 10,000 not included in the above account.
6. Loan from bank is for personal use.
7. Computer was purchased on 15th January 2022.

Compute taxable income of Mr. F under the head income form business or profession for the assessment year 2020-21.

Q. 4. **(20 marks)**

Following details are submitted to you by Mr. G for the assessment year 2022-23.

1. Annual salary ₹ 30,00,000. Employer deducts ₹ 2,000 as profession tax and his contribution to Provident Fund of ₹ 2,40,000.
2. Net taxable income form house property ₹ 1,20,000 (computed).
3. Net amount received on winning of talent contest ₹ 54,000 after TDS of ₹6,000.
4. Interest on bank account deposits ₹80,000.
5. Dividend on shares of Indian Companies ₹ 25,000.
6. Contribution to annuity plan of LIC ₹ 50,000.
7. Life insurance premium paid ₹30,000.
8. Deposited ₹ 1,50,000 in PPF Account.
9. Deposited ₹ 60,000 in NPS. It is eligible for deduction under Section 80CCD(1B).
10. Interest paid on an educational loan for the year ₹ 25,000.
11. Health insurance premium paid for self, wife and his two children ₹ 40,000.

Compute the taxable income and tax liability of Mr. G for the assessment year 2022-23.

Q. 5. Write short notes on the following (Any four) **(4 × 5 marks)**

a. Previous year
b. Block of assets
c. Leave Travel Concession (LTC)
d. Permanent Account Number (PAN)
e. Deductions under Section 80U

Q. 6. Answer the following questions (Any four) **(4 × 5 marks)**

a. Explain the term ‘Assessment’
b. Explain any five fully taxable allowances
c. Form 26 AS - Annual Information Statement
d. Explain the provisions of Portuguese Civil Code for computation of tax
e. Explain any five principles for computing income taxable under the head ‘Profit and Gains of Business or Profession’.