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FACULTY OF COMMERCE & MANAGEMENT
B.Com T.Y. (Sem-VI)
Examination November/December- 2022
Direct Taxes

[Time:3:00 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N.B

- 1) Question no 1 is compulsory
- 2) Attempt any four questions out of remaining six questions.

Q. 1

A. Please select the appropriate answer

05

1. Income tax act 1961 came into force on -----
 a) 1st April 1945 b) 1st April 1962 c) 1st April 1956 d) 1st April 1961
2. Gross annual value includes-----
 a) Municipal value b) Fair rental value c) Actual rent d) All of the above
3. Rent is income from-----
 a) Salary b) House property c) Capital gain d) Other sources
4. _____ is empowered to levy and collects income tax.
 a) State government c) Central government
 b) RBI d) Ministry of finance
5. Gifts from clients are -----
 a) Professional income c) Non taxable item
 b) Income from other source d) None of these

B. Answer in one sentence

05

- 1) What is Gratuity?
- 2) How much self occupied property exempt from tax?
- 3) What is dividend?
- 4) What is short term capital gain?
- 5) Is agriculture income taxable?

C. Fill in the blanks

05

- 1) Given the previous year 2021-22, the assessment year shall be_____.
- 2) If any assets sold after_____ months, than such capital gain is called long term capital gain.
- 3) Municipal tax is deductible from_____.
- 4) Income tax is a ____ tax.
- 5) Entertainment allowance deduction u/s 16(ii) allowed to _____ employee.

D. State weather the statement is true or false

05

- 1) Fixed medical allowance is fully taxable
- 2) Municipal taxes are borne by the tenant deduction is to be made.
- 3) The previous year is also known as income year
- 4) 'Trade' is the activity of purchase and sale of goods with an object of making profit.
- 5) Dividends declared by the Indian companies are taxable under income from other sources.

Q. 2 What is mean by annual value? how it is determined under income from house property? 15

Q. 3 Mr. Rohit is an employee of Prajwal Co.Ltd, Chennai receiving following income from salary 15

during the financial year 2021-22

- a) Basic salary Rs.50,000 pm.
- b) Dearness allowance (not forming part) Rs.25,000 pm
- c) Commission 10% of the turnover of the company. The turnover for the financial year 2021-22 was Rs.10 lakh.
- d) Children education allowance Rs.400 Pm per child for 2 children
- e) Children hostel allowance Rs 500 pm per child for 2 children.
- f) City compensatory allowance Rs.1000pm
- g) Conveyance allowance RS.1500pm (Actual expenses is Rs.1,000 pm)
- h) Fixed medical allowance Rs.2000 pm.
- i) House rent allowance Rs.5,000 pm actual rent paid Rs.7000 pm as rent
- j) Professional tax paid Rs. 600 pm

Compute the net salary income tax for assessment year 2022-23 and show detail working of H.R.A.

Q.4 From the following profit & loss A/c of Aarav, compute his income from business for the year ending 31 march 2022. 15

Particulars	Rs.	Particulars	Rs.
To Staff salary	55,000	By Gross profit	1,18,850
To Rent	13,000	By Sundry income	10,200
To Interest on loan	16,400	By Commission	20,300
To Bad debts	1,500	By Rent from property	25,000
To Charity	2,500	By Dividend	6,500
To R.D.D	2,200		
To Office expenses	1,600		
To Sundry expenses	6,500		
To Entertainment exps	1,650		
To Net profit	80,500		
	1,80,850		1,80,850

Additional information-

- 1) Rent include Rs.7000 a shop belonging to the assesses himself
- 2) Salary to staff includes Rs.11,000 paid to his son.
- 3) A loan of Rs. 20,000@ 6% p.a is taken from his wife out of funds advanced by him.
- 4) Sundry expenses Rs.1,500 being expenses incurred on pilgrimage.
- 5) Entertainment include Rs. 650 spent on refreshment of family members.

Compute Mr. Aarav's Business income for the assessment year 2022-23

Q.5 What is the procedure to calculation income from other sources? 15

Q.6 Describe the procedure of calculation from capital gain? 15

Q.7 Write short note on (any three)

- 1) Tax deduction at source.(TDS)
- 2) Person.
- 3) Allowances.
- 4) Assessment year.
- 5) Casual income.

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