



# ST. FRANCIS DE SALES COLLEGE

A FRANSALIAN INSTITUTE OF HIGHER EDUCATION **AUTONOMOUS**

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📍 Electronics City P.O., Bengaluru - 560 100, Karnataka, INDIA 📞 (+91) 8088140679 📧 pro@sfscollege.in 🌐 www.sfscollege.in

## MODEL EXAMINATION – NOVEMBER 2024 COMMERCE - V SEMESTER B.COM/B.COM (VOC) (NEP) PAPER – 5.2: INCOME TAX LAW & PRACTICE - 1

**Time: 2.5 hours**

**Max. Marks: 60**

**Instruction:** *Answers should be written completely in English*

### SECTION – A

Answer any **six** Questions. Each question carries **two** marks.

**(6X2=12)**

1. a) What do you mean by Agricultural Income?  
b) Expand CBDT and PAN.  
c) What is unrealized rent?  
d) State the meaning of the term 'Deemed assessee'  
e) Mention any two exempted income u/s10 of IT Act.  
f) What is meant by an allowance?  
g) What do you mean by pre-construction period?  
h) Give the meaning of Salary

### SECTION – B

Answer any **Three** Questions. Each Question carries **Four** marks.

**(3X4=12)**

2. State whether the following are agricultural income or non-agricultural income:  
a) Dividend from a company engaged in agriculture  
b) Compensation received for acquisition of agricultural land for military purposes.  
c) Interest on loan given to a farmer  
d) Compensation received for acquisition of agricultural land for military purposes.  
e) Sale of plant from nursery.  
f) Income derived from sale of seeds.
3. Explain the exceptions to the Basic Condition.
4. Mr Ganguly (resident), a marketing manager in Kolkata, retired from XYZ Ltd, on Dec. 15, 2023 after 28 years and 8 months of service and receives Rs 3, 50,000 as death cum retirement gratuity. His average basic salary for the preceding 10 months ended on 30 Nov. 2023 was Rs 18,200 per month sides, he has received 1,000 per month as DA, 80% of which form part of the salary for the purpose of computation of all retirement benefits and 6% commission on turnover achieved by him. Total turnover achieved by him for 10 months ended on 30th Nov 2023 is Rs 1, 50,000. Assume he is not covered under Payment of Gratuity Act. Compute the taxable gratuity for the A.Y. 2024-25

5. Mr Eshwar an Indian citizen leaves India for the first time in the last 20 years on November 20<sup>th</sup>, 2021 during the calendar year 2022 he comes to India on 1st September and stays for a period of 30 days. During the calendar year 2023, he does not visit India at all but comes to India on January 16<sup>th</sup>, 2024. Determine his residential status for the assessment year 2024-25.
6. Calculate the allowable interest on loan from NAV of the house property.  
 Date of borrowing loan 01-06-2016  
 Date of repayment of loan 10-05-2024  
 Date of completion of construction May 2021  
 Amount of loan borrowed Rs30,000  
 Interest on loan 20% pa

### SECTION – C

Answer any **Three** Questions. Each Question carries **12** marks

**(3X12=36)**

7. Sri Ram submits the following particulars of his income for the year 2023-24.
  - a) Income from house property in Hasana received in Paris 6,50,000
  - b) Salary income from an Indian employer received in Newyork for two months 75,000 p.m
  - c) Income from business in Mumbai received in Bangalore(40% remitted to Nepal) Rs 12,50,000
  - d) Dividend from foreign company received in Chennai Rs 1,80,000
  - e) Income from business in Hongkong and the business is controlled from Tumkur (25% received in Tumkur) Rs 15,00,000
  - f) Interest on post office S.B. A/c in Bangalore (account is held in joint names) Rs 17,500
  - g) Income from agricultural land in Sri Lanka (50% received in India) Rs 2,05,000
  - h) Share from H.U.F Rs 60,000
  - i) Royalty received in India for the services rendered in Japan Rs 6,00,000
  - j) Interest earned on U.S. Government Bonds received in London Rs 1,75,000
  - k) Interest on SBI deposits received in Bhutan Rs 7,080
  - l) Past untaxed foreign income brought to India Rs 6,10,000
  - m) Interest on housing loan given to Mr. X for construction of house in Bangladesh Received in Bangalore Rs 65,020

Calculate his Gross Total Income for the A.Y. 2024-25.

8. Sri Ramappa (resident) owns four houses (House - 2 and 4 are self occupied for residence, House - 3 is used for own business and House -1 is let out) and furnishes the following information for the financial year 2023-24. Compute his income from House Property for the relevant A.Y. 2024-25

Particular	HOUSE 1	HOUSE 2	HOUSE 3	HOUSE 4
Municipal valuation	49,000	28,000	87,000	90,000
Fair rent	42,000	25,000	80,000	1,05,000
Standard rent	38,200	15,000	75,000	90,000
Rent (property is let out Throughout the previous year)	42,000	-	-	-
Unrealised rent	3,500	-	-	-
Municipal tax Paid by Ramappa	-	500	7,000	9,000
Municipal tax Paid by Tenant	5,000	-	-	-
Repair	2,500	4,500	2,250	3,000
Land revenue to state Govt.	1,000	500	1,200	1,300
Education cess to Govt.	250	200	300	350
Water & Health Cess to Municipality paid by Ramappa	100	400	800	-
Date of completion of Construction	31/5/20	31/5/20	31/3/20	1/4/20

Property -1 remained vacant for two months . Mr. Ramappa borrows Rs. 50,000, Rs. 75,000 and Rs.1,00,000 for the construction of House - 1, House - 2 and House - 4 respectively on 15th June 2019 at the rate of 12% per annum. He however makes repayment of loan amount of Rs. 50,000, 25,000 in respect of House - 1 and House - 2 respectively on December 31,2020

9. a) Mr Ramesh is a citizen of America comes to India on 20/3 /2023 for the first time and 1/9/ 2023 he left India and went to Nepal on a business trip. Again he comes back to India on 10/3/2024. Determine his residential status for the assessment year 2024-25 (6)

b) Determine the NAV of House property from the following details

- a) Municipal value Rs 3,00,000
- b) Standard rent Rs 3,60,000
- c) Fair rent Rs 3,20,000
- d) Actual rent Rs 40,000 p.m
- e) Municipal tax paid by the owner 20% of municipal value
- f) Unrealized rent Rs 80,000

(6)

10. Mr. Prakash is the owner of the following houses in Bangalore and the particulars of which are relating to previous year 2023-24.

<b>PARTICULAR</b>	<b>HOUSE A</b>	<b>HOUSE B</b>	<b>HOUSE C</b>
Municipal value	1,20,000	1,32,000	1,44,000
Fair rental value	1,50,000	1,60,000	1,75,000
Standard rent	1,44,000	1,50,000	1,60,000
Nature of use	LET OUT	LET OUT	SOP
Rent received p.m	15,000	18,000	-
Municipal tax paid by owner			
For the year 2022-23	6,000	6,600	
For the year 2023-24	12,000	13,200	14,400
Cost of repairs	18,000	12,000	-
Interest on loan for construction	45,000	60,000	2,25,000
Unrealized for the year 2023-24	12,000	18,000	-
Vacancy period (month)	2	2	-
Year of completion	2020	2019	2017

Compute taxable Income house Property for the A.Y. 2024-25

11. Sri. Bhagavathi Prasad, Marketing Specialist is working with two companies - Aditri Co, & Asmita Co. He retires from Aditri Co. on 30/11/2017 & receives Rs 22,000 as gratuity out of which Rs 20,000 is exempt. He also retires from Asmita Co. on 10/12/2023 after 28 years & 8 months of service and receives 2.90.000 as gratuity. His average Basic salary drawn from Asmita Co for preceding 10 months ended on 30/11/2023 is Rs 18,200. Besides, he has received 1,000 p.m. as DA 80% of which forms part of salary & 6% commission on turn over achieved by him. Total turnover achieved by him during ten months ending on 30/11/2023 is Rs 2, 00,000. Calculate gratuity Covered and not Covered