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V Semester B.C.L.S. Examination, March/April 2022

(CBCS Scheme)

COMMERCE

Paper – 5.3 : Income Tax – I

Max. Marks : 70

Time : 3 Hours

Instruction : Answers should be written in **English only**.

SECTION – A

1. Answer **any five** of the following sub-questions. **Each** sub-question carries **2** marks. (5×2=10)
- Define previous year.
 - Mention 2 exempted Incomes u/s 10.
 - Define Person u/s 2(31).
 - Expand CBDT and CIT.
 - Who is treated as Deemed Assessee ?
 - Who is treated as Resident of India ?
 - Which income is treated as Indian Income ?

SECTION – B

Answer **any 3** of the following questions. **Each** question carries **6** marks. (3×6=18)

- Explain Agricultural Income.
- State whether the following are Agricultural income or not ?
 - Income from sale of mangoes which is of Spontaneous growth.
 - Incomes from growing flowers and creepers.
 - Dividend received from a company engaged in Agriculture operations.
 - Interest on loan given to farmer.
 - Income from Agricultural land in Srilanka.
 - Sale of plants from Nursery.
- Mr. Patel an Indian citizen left India on 28-10-2014 for the purpose of employment and came back to India on 1-9-2020 and settled permanently in India. Find out his residential status for the A.Y. 2021-22.

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5. Mr. Ashish an employee of XYZ company retired from service after serving for 30 years and 5 months and received a gratuity of Rs. 12,00,000 under the payment of Gratuity Act 1972. His basic salary at the time of retirement was 12,000 PM and DA of Rs. 2,000 PM. Compute his taxable gratuity for the AY 2021-22.
6. Compute Annual value of the House Property from the following information for the AY 2021-22.

	Rs.
Municipal Value	1,40,000
Fair Rental value	1,50,000
Standard Rent	1,30,000
Actual Rent	1,80,000
Unrealised Rent	10,000
Vacancy Period	2 months
Municipal Tax	10% of Municipal Value

SECTION – C

Answer **any 3** of the following questions. **Each** question carries **14** marks. **(3×14=42)**

7. Mr. Aravind is an employee of ABC Company, he submits the following information relevant for the AY 2021-22. Compute his taxable income from salary.
- Basic – Rs. 12,000 pm
 - DA – Rs. 3,000 pm (50% forming part of salary)
 - Bonus – Rs. 12,000
 - Commission – 2% on sales (Sales – Rs. 2,00,000)
 - Entertainment allowance Rs. 2,500 pm.
 - Children Education allowance Rs. 200 per month per child for his 2 children.
 - Hostel allowance Rs. 500 pm per child for his 2 children.
 - Free telephone facility Rs. 3,500.
 - LIC premium paid by the company Rs. 1,500 pa.
 - Professional Tax paid by Mr. Aravind is Rs. 2,400 pa.



8. Mr. Bimal is the owner of 3 houses. The following particulars are available.

Purpose of use	HP – I	HP – II	HP – III
	LOP	LOP	SOP
	Rs.	Rs.	Rs.
MRV	50,000	60,000	1,00,000
FRV	40,000	50,000	90,000
Actual Rent (P.A.)	60,000	72,000	–
M. Tax :			
a) Due	2,000	3,000	1,000
b) Paid	10,000	12,000	14,000
Interest on Housing loan	20,000	40,000	60,000

Compute Income from House Property for the AY 2021-22.

9. Mr. Sagar is an employee in Z Ltd., he has furnished the following particulars for the year ended 31-3-2021.

Basic Salary – Rs. 25,000 pm

DA 10% of his basic salary (forming part of salary)

Bonus equal to one month of Basic salary

EA – Rs. 3,000 pm

Medical allowance – Rs. 1,500 pm

Employer and employee contribution to RPF is 15% of salary.

Interest on RPF is 12% calculated and come to Rs. 12,000.

He has been provided with rent free furnished Accommodation at Mumbai (population more than 25 lakhs) and the cost of furniture is Rs. 60,000. During the year he paid professional tax of Rs. 2,400.

Compute his income from salary for the AY 2021-22.



10. From the following particulars of Mr. Balaji, compute his income from House property for the AY 2021-22.

	House Property		
	I	II	III
	Rs.	Rs.	Rs.
MRV	10,000	20,000	40,000
FRV	12,000	25,000	50,000
Standard Rent	10,000	24,000	48,000
Actual Rent (P.M.)	1500	1800	5000
Municipal Tax Paid (10% of MV)	10%	10%	10%
Repairs	—	—	5,000
Insurance	2,000	5,000	6,000

Mr. Balaji borrowed Rs. 1,00,000 to construct HP – III whose interest is to be calculated at 12% pa. During the previous year 2020-21 the entire loan was outstanding.

11. Mr. Chandrashekar retires on 30-6-20. He gets Rs. 2000 p.m. as pension upto 31-1-2021. With effect from 1-2-21 he gets 60% of pension commuted for Rs. 40,800. Compute his taxable pension for the AY 2021-22. If he is :
- Govt. employee
 - Non-Govt. employee gets gratuity
 - Non-Govt. employee doesnot get gratuity.