

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**

Revised UG Syllabus under CBCS  
(Implanted from academic year 2020-21)

**PROGRAMME : II-YEAR B.COM (GEN & CA) (SEMESTER-IV)**  
**Course 4C : INCOME TAX**

**MODEL QUASTION PAPER**

**Time: 3 Hours**

**Max. Marks: 75**

**SECTION - A**

**$5 \times 3 = 15 M$**

**Answer any FIVE of the following Questions.**

1. Define Assessee?
2. Previous year?
3. Define Allowances [Sec 17 (3)]
4. Types of perquisites ?
5. Define Municipal Rental value ?
6. Compute Annual rental value.  
MRV Rs.60,000 p.a, Standard Rent Rs.63,000 p.a, F.R.V Rs.66,000 p.a,  
Actual Rent Rs.6,000 p.m.
7. What are the admissible and inadmissible expenses in Profit & Loss account.  
a) Salaries  
b) Income Tax  
c) Machinery  
d) Rent paid
8. What are the professional receipts and non professional receipts of Advocate ?  
a) Legal fees  
b) Rent Received  
c) Interest Received  
d) Gifts from claims
9. Compute taxable capital gain.  
i) Sale price of car as on 28-2-21, Rs.10,00,000  
ii) Cost of acquisition of car as on 1-1-20, Rs.5,00,000
10. Compute total Income.  
i) Income from salary (computed) Rs.80,000  
ii) Income from house property (computed) Rs.40,000  
iii) Income from Business (computed) Rs.30,000  
iv) Income from other sources Rs.20,000

**SECTION - B**

**$5 \times 12 = 60 M$**

**Answer any FIVE of the following Questions.**

11. Mr. Bill Gates a citizen of USA furnishes the following particulars of his income relevant for the previous year 2020-21.

- a) Agricultural Income from USA entire amount spent for Software Development in New York Rs.3,00,000.
- b) Profit on sale of building in Bengaluru 3/4<sup>th</sup> of received in New York Rs.6,00,000
- c) Interest on saving bank account Rs.90,000
- d) Profit from software business in Japan received in New York controlled from India Rs.3,20,000.
- e) Profit on sale of car in New York entire amount received in Mumbai Rs.1,20,000.
- f) Interest on deposits with an Indian company Rs.2,000  
Compute his taxable Income if he is (i) Resident (ii) Not ordinarily Resident and (iii) Non-Resident for the Assessment year 2021-22.

12. Following are the Incomes of Mr. Rajan for the financial year 2020-21

i) Interest on Saving Bank Deposit in SBI Delhi	11,200
ii) Income from agriculture in Africa invested in Nepal	10,000
iii) Dividends received in UK and an American company, out of which Rs.2,000 were remitted to India.	10,000
iv) Salary (computed) drawn for 3 months for working in Indian Embassy's office in Australia and salary received there.	72,000
v) Income from house property situated in Pakistan.	15,000
vi) Pension (computed) received in Belgium for services rendered in India with a Ltd. Company.	20,000

*You are required to compute his gross total income for the A.Y.2021-22, if he is a) Resident b) Not ordinary resident and c) Non-Resident*

13. Mr. Madhava Sen (age 45 years) is working as assistant in the Marketing Department of TTD Ltd. Bengaluru. His salary income details are as follows :

Basic salary Rs.1,5000 p.m

Dearness allowance Rs.5,000 p.m

Dearness pay Rs.2,000 p.m

Commission Rs.45,000 p.a

Entertainment allowance Rs.700 p.m (6,000 spent on entertainment during the year)

House Rent allowance Rs.7,500 p.m (Rent paid Rs.9,000 p.m)

Compute taxable salary for the Assessment year 2021-22.

14. Mr. X, a person working in ABC Company Ltd. Bangalore has furnished the following details of his income for the year 2020-21. Compute his income from salary for the A.Y. 21-22.

a) Basic salary Rs.40,000 p.m.

b) Dearness allowance enters into retirement benefits Rs.24,000 p.m

c) Fixed percentage of commission on sales Rs.15,000 p.m

d) Bonus Rs.65,000

e) HRA Rs.12,500 p.m. (Rent paid Rs.10,600 p.m)

f) Transport allowance Rs.4,000 p.m.

g) Reimbursement of medical expenses Rs.2,500 for treatment taken in private hospital.

h) Management contribution and own contributions to RPF is 15% of salary.

i) Interest credited to RPF is Rs.11,000 at 11% p.a.

j) Professional tax paid by employee is Rs.400 p.m

k) He is provided with more than 1.6 liter capacity car by the company for official use. All the expenses including salary of the driver are met by the company.

l) Children education allowance Rs.600 p.m per child for two children and children hostel allowance Rs.1,000 p.m for two children.

15. Smt. Jaya is the owner of a house at Agra, particulars in respect of which for the year ended 31<sup>st</sup> March 2021 are as below:

Actual rent received Rs.10,000

Municipal valuation Rs.8,000

Total Municipal tax Rs.2,500

Municipal tax paid by Smt. Jaya Rs.1,250

Municipal tax paid by the tenant Rs.1,250

Interest paid during P.Y on loan taken for renewing the house Rs.500

Repair charges Rs.3,000

Compute her income from house property for the A.Y. 2021-22.

16. Sri Kishore (resident) is the owner of 3 houses. The following are the particulars of his property for the year ending 31.3.2021.

Particulars	1 House 2010	2 House 2012	3 House 2014
Year of construction	Letout to bank	Self occupied	Letout to residence
Actual rent received (PA)	30,000	-	24,000
Municipal valuation	32,000	28,000	30,000
Municipal tax paid by Kishore	1,200	1,000	3,000
Municipal tax paid by tenant	2,000	1,800	-
Total municipal tax	3,200	2,800	3,000
Fire insurance premium	2%	20%	2%
Interest on loan taken for renewal of the house	-	7,000	5,000

Compute taxable from the house property of Sri Kishore for the A.Y. 2021-22.

17. The following is the P/LA/c or Mr. Ranjith for year ending 31<sup>st</sup> March 2021.

Particulars	Rs.	Particulars	Rs.
To Salaries	1,65,000	By Gross Profit	2,50,000
To Office expenses	18,000	By Bad debts recovered	10,000
To Depreciation	14,000	By Dividend	3,000
To GST	9,000	By Commission	10,000
To Legal expenses	8,000	By Rent of house property	9,000
To Income Tax	7,000	By Brokerage	10,000
To Patents purchased (18th)	12,000	By Sundry receipts	5,000
To Repairs	6,000	By Share of Income from HUF	3,000
To Donation	2,000		
To Provision for bad debts	3,000		
To General expenses	12,000		
To Net Profit	44,000		
	3,00,000		3,00,000

Additional Information :

- Salary includes Rs.6,000 paid to workers employed at home.
- Legal expenses includes Rs.1,000 paid to the advocate in connection with personal case.
- General expenses includes Rs.4,000 as contribution to staff welfare fund.
- Out of the bad debts recovered only Rs.4,000 were allowed as deduction earlier.

*Compute his income from business for the assessment year 2021-22.*

18. Mr. Rama Rao is a Chartered Accountant in Mysore. His Receipts and Payment Account for the P.Y. ending 31.03.21 is as follows :

Receipts	Rs.	Payments	Rs.
To Balance B/d	56,000	By Salary	1,00,000
To Dividend	64,000	By Rent	60,000
To Professional Income	5,60,000	By Telephone charges	24,000
To House Rent	90,000	By Professional expenses	20,000
To Race course Income (net)	24,000	By Motor car expenses	48,000
To Lottery prize (net)	1,20,000	By Misc. expenses	30,000
		By Purchase of car (31.09.20)	1,80,000
		By Advance Income tax	1,00,000
		By Personal expenses	1,80,000
		By Purchase of professional books	8,000
		By Electricity	4,000
		By LIC premium	16,000
		By Bal C/d	1,44,000
	9,14,000		9,14,000

19. Mr. Prasanna sold his residential house on 1-1-2021 for Rs.35,06,000 which he had purchased in 2001-02 for Rs.2,00,000. He spent Rs.6,000 for sale of the house. He also spent Rs.1,50,000 on the construction of new house and deposited Rs.1,00,000 under capital gains account scheme on 28-3-2021. The CII for 2001-02 and 2020-21 are 100 and 301 respectively. Compute taxable capital gains for the Assessment year 2021-22.

20. From the following receipts and payments of Mr. Devesh (resident), compute his taxable income under the head income from other sources :

Winnings from Madhya Pradesh State Lottery Rs.28,000

Winnings from horse race Rs.1,000

Winnings from Rajasthan State Lottery Rs.3,000

Winnings from horse race Rs.49,000

Winnings from cross word puzzle Rs.2,500

Gift received from a friend in London Rs.1,00,000

Winnings from card games Rs.2,500

Purchase of lottery tickets Rs.3,000 and payments for betting's in horse race Rs.6,000

Winnings from camel race Rs.30,000.

**Instruction to Paper Setter:**

Two questions must be given from each unit in Section-A and Section-B

