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**NA—99—2024**

**FACULTY OF COMMERCE**

**B. Com. (Third Year) (Fifth Semester) EXAMINATION**

**APRIL/MAY, 2024**

**(New Pattern)**

**INCOME TAX LAW AND PRACTICE**

**Paper—BC—5.4A**

**(Taxation)**

**(Thursday, 18-04-2024)**

**Time : 10.00 a.m. to 1.00 p.m.**

*Time—3 Hours*

*Maximum Marks—75*

*N.B. :— (i) Q. No. 1 is compulsory.*

*(ii) Figures to the right indicate full marks.*

*(iii) Use of simple non-programmable calculator is allowed.*

1. The following are the incomes of Aman Co-operative Society for the year ended on March 31, 2023. Compute its taxable total income for the assessment year 2023-24. 20

P.T.O.

Rs.

(i)	Interest from another Co-operative Society (Gross)	26,000
(ii)	Income from the processing, without the aid of power	17,000
(iii)	Income from house property.	12,000
(iv)	Dividend received from other Co-operative Society	26,000
(v)	Income from credit facilities to members	13,000
(vi)	Income from a cottage industry	22,000
(vii)	Interest on securities	20,000
(viii)	Income from collective disposal of labour of members	24,000
(ix)	Income from fishing and allied activities	23,000
(x)	Income from other business	15,000

2. Mr. Ram who is a disabled person of 85 years has furnished the following details regarding deductions u/s 80 for the assessment year 2023-24. Compute the qualifying amount u/s 80 : 15

- (a) LIC premium paid on wife's life (Policy was taken on 01.05.2012, sum assured Rs. 3,00,000) Rs. 35,000.
- (b) LIC premium paid on own life (Policy was taken on 07.04.2015, sum assured Rs. 2,50,000) Rs. 37,000.
- (c) Repayment of home loan taken from LIC Rs. 50,000 (including interest of Rs. 30,000)
- (d) Tuition fee paid for four children Rs. 80,000.
- (e) LIC premium paid on the life of married daughter Rs. 25,000.

- (f) Contribution to PPF Rs. 10,000.
- (g) Purchase of NSC IX issue Rs. 15,000.
- (h) Health insurance premium paid on mother's life by cheque Rs. 44,000.
- (i) Mr. Ram's sister is a severely disabled person and she is dependent on Mr. Ram for her livelihood.
- (j) Interest paid on loan taken for higher education of his son Rs. 10,000.

*Or*

Write in detail about the deductions allowable u/s 80C.

3. A, B and C are members of AOP sharing profits equally. The following is the Profit & Loss Account : 15

Particulars	Amount	Particulars	Amount
To Sundry Expenses	66,000	By Gross Profit	84,000
To Office Expenses	9,000	By Interest on securities	9,000
To Rent	3,000	By Net Loss :	45,000
To Commission to B	6,000	A     10,000	
To Salary to A	18,000	B     10,000	
To Charity	3,000	C     10,000	
To Advt. expenses	6,000		
To Interest on Capital :			
A	9,000		
B	9,000		
C	9,000		
	1,38,000		1,38,000

Compute the total income of the AOP.

*Or*

Define association of persons and body of individuals. State the difference between AOP and BOI.

4. The total income of a firm Nirmitee in which A, B and C, the partners share profits and losses in the ratio of 1 : 2 : 3, was as per Profit and Loss A/c Rs. 2,60,000 for the previous year 2022-23. In computing the total income of Rs. 2,60,000, the following have been debited to the Profit and Loss Account.

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- (i) Salaries of Rs. 2,50,000 and Rs. 2,50,000 to A & B respectively.
- (ii) Interest on capital calculated @ 20% of Rs. 8,000. Rs. 30,000 and Rs. 20,000 to A, B and C respectively.
- (iii) Bonus to C Rs. 15,000
- (iv) Commission of Rs. 10,000, Rs. 25,000 and Rs. 35,000 to A, B and C respectively.
- (v) C had borrowed capital for his investment in the firm and had paid interest of Rs. 15,000 separately to the lender.

Compute the total income of the firm. All are working partners. The firm fulfils the conditions of Section 184.

*Or*

Write in detail how the taxable income of a partnership firm is computed which fulfils the conditions of Section 184.

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5. Write short notes on any *two* of the following :

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(i) TDS on Interest

(ii) TDS on Salary

(iii) Sec. 194I

(iv) Sec. 194C.

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