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TA—101—2024

FACULTY OF COMMERCE

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

NOVEMBER/DECEMBER, 2024

TAX PROCEDURE & PRACTICE

Paper (UGCVC-TPP-IX) BC 5.4C

(Income Tax Procedure & Practice-I)

(Monday, 9-12-2024)

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

Time—3 Hours

Maximum Marks—75

N.B. :— Attempt all questions.

1. Dr. Limkar is a lecturer. The following informations relate for the Assessment Year 2020-21 : 20

- (i) Basic salary @ Rs. 52,000 p.m.
- (ii) DA 45% of salary
- (iii) Wardenship allowance @ Rs. 1,400 p.m.
- (iv) Examinership remuneration Rs. 60,000
- (v) Royalty from books for schools (computed) Rs. 32,500.
- (vi) Interest on Govt. Securities Rs. 15,000.
- (vii) Interest on debentures Rs. 13,000.

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- (viii) Dividend on shares of a foreign Co. Rs. 2,500.
- (ix) Income from house property Rs. 1,10,000 (computed).
- (x) Contribution to statutory P.F. Rs. 5,000.
- (xi) Contribution to PPF Rs. 12,000.
- (xii) Premium paid by cheque on medical insurance policy on health of dependent father Rs. 3,000.
- (xiii) Donation to an approved charitable institution Rs. 10,000 by cheque.
- (xiv) Business income Rs. 5,00,000 and Business Loss Rs. 1,50,000
- (xv) LTCG Rs. 5,00,000.

Compute his total income.

2. Shree Enterprises provided Profit and Loss Account for the year ended 31st March 2024. The entities covered under HUF other incomes are also included in P & L :

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Particulars	Amount	Particulars	Amount
To Salary to staff	1,20,000	By Gross profit	1,50,000
To Rent	1,60,000	By Director Fees	10,000
To Municipal Tax	20,000	By LTCG	2,00,000
To Int. on Housing Loan	50,000	By Rent from HP	2,00,000
To Int. on loan	80,000	By Lottery income (Net)	9,00,000
To General Exp.	60,000	By Int. on FD (Net)	1,80,000

To Agri Exp.	30,000	By Rent from agri. farm	50,000
To Household Expenses	30,000	By Agri. Income	1,00,000
To Depreciation	30,000	By Int. on Debenture	5,000
To Income Tax	50,000	By Commission (Net)	4,50,000
To Advertisement	15,000		
To Printing & Stationery	10,000		
To Loss on sale of Machinery	5,000		
To Rent Collection Exp.	12,000		
To Audit Fees	10,000		
To Travelling	15,000		
To Brokerage	20,000		
To Net Profit	28,78,000		
	35,95,000		35,95,000

Additional information :

1. Depreciation allowed Rs. 25,000
2. General expenses include Rs. 12,000 paid for house swapper.
3. Interest on loan of Rs. 30,000 paid after due date of return.
4. Advertisement exp. paid for proceeding previous year.
5. Electricity exp. of Rs. 35,000 not recorded.

P.T.O.

6. 1/3rd travelling exp. belong to Karta for his personal tour.
7. Gift from supplier worth Rs. 1,00,000 not recorded.
8. LIP paid of Rs. 50,000 of member of HUF.

Or

Explain the provision of TDS and discuss U/s 192, 193, 194A and 194C.

3. The net profit of a company is Rs. 20 lakh. The following information relevant for the purpose of computing its assessable income has been extracted from a scrutiny of Statement of Profit & Loss : 15

- (1) STCG 85,000
- (2) Long-term capital gains 3,00,000
- (3) Depreciation relating to 2019-20 brought forward 10,00,000
- (4) Business loss relating to 2019-20 brought forward 12,00,000
- (5) Current year's depreciation 10,00,000
- (6) Penalty for infraction of law 1,00,000
- (7) Provision of value added tax 3,00,000
- (8) Dividend proposed 2,00,000
- (9) Profit from a new industrial undertaking Rs. 17,00,000

Compute Total Income and Tax Liability of company.

Or

Explain the provision of set-off and carry forward of losses under Income Tax Act, 1961.

4. Sumit, Romit and Rohit are equal partners in a firm. The Profit & Loss Account of the firm for the year ended 31st March, 2024 is given below : 15

	Rs.		Rs.
Trade expenses	36,000	Gross profit	1,80,000
Provision for bad debts	4,600	Commission	10,000
Salaries	14,000	Interest on Govt.	
Postage	1,400	Securities	6,000
Repairs	4,000	Dividend	12,000
Depreciation	6,000	Long-term Capital Gains	4,000
Rent of Building paid to			
Sumit	20,000		
Donations	8,000		
Interest on capital @ 12% :			
Sumit 16,000			
Romit 14,000			
Rohit 10,000	40,000		
Net Profit	78,000		
	2,12,000		2,12,000

P.T.O.

The following additional information is available :

- (a) Amit is the owner of the business house.
- (b) Trade expenses include Rs. 6,400 for a newly purchased typewriter for office use.
- (c) Donations are given to an approved institution.
- (d) Furniture was purchased in 2019-20 for Rs. 40,000. The rate of depreciation allowed is 10%. There is no other depreciable asset in the business.

Compute the Total Income of the firm for the Assessment Year 2024-25.

Or

From the following information, compute total income of the firm for the AY 2024-25 :

Rent received from House Property 30,000 p.m.

Loan taken for purchase of HP of Rs. 20,00,000 @ 6%. p.a.

Municipal tax paid by tenant 20,000.

Municipal tax paid by firm 30,000.

Income from commodity business 60,000.

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Income from handwork shop 5,00,000.

Loss from speculation business 3,00,000.

Brought forward loss from 17-18 if Rs. 2,00,000.

Advance tax paid 1,00,000.

Interest on securities 5,00,000 (Net)

During the year firm sold land for Rs. 80,00,000 which was purchased during the PY 17-18 for Rs. 40,00,000. Firm included 0.5% selling expenses.

During the PY firm purchased another land for Rs. 15,00,000.

Winning from horse race Rs. 2,00,000.

Dividend from TCS 3,00,000 (Net)

Lottery income 2,00,000 (Net)

STCG 1,50,000.

LTCG 30,000.

Car worth Rs. 15,00,000 gifted by supplier not recorded.

Unaccounted money of Rs. 3,00,000 fund during the search unable to give explanation to AO.

P.T.O.

5. Solve any *two* :

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- (a) Explain deductions under Section 80C, 80D, 80DD & 80E.
- (b) Explain deductions under Section 194I & 194J.
- (c) Tax rates in respect of individual's old and new regime.
- (d) Tax rates in respect of Firms and Companies and also compute tax liability of PQR limited of income Rs. 2.5 crore.