

(Affiliated to Bengaluru City University & Recognized by Govt of Karnataka)  
**Class: V Sem-B. Com      SUBJECT: INCOME TAX LAW AND PRACTICE 1**  
**Duration: 2 ½ Hours      Model 1      Max. Marks: 60**

Answer any five questions. Each question carries two marks (5 x 2 =10)

- Answer any four questions. Each questions carries five marks (4 x 5 = 20)

2. Discuss whether the following are Agriculture incomes
  - a. Income from agricultural activities in Sri Lanka
  - b. Income for sale of forest trees of spontaneous growth
  - c. Income from agricultural land situated in Punjab
  - d. Salary received as a partner from a tea manufacturing firm
  - e. Interest received on loan given to farmers
3. Sri Veeranna retired on 31.3.2022 after serving in a company for 32 yrs and 10 months. He received Rs.178000 as Gratuity. His monthly salary in the immediately proceeding 10 months was Rs.28000. Compute his exempted and taxable gratuity for the AT 23-24
4. Explain the types of Assessment
5. Mr Ajay owns two house in Bangalore . The following information is given

Municipal value	400000
Fair rental value	720000
Rent received	480000
Standard rent	600000
Municipal tax paid	40000
Interest on loan	60000

Find out the Net annual value of Mr Ajay for the AY 23-24

6. Mr. Peter son of a citizen of U.K came to India for the first time on 1.5.2016. He stayed here without any break for 3 yrs and left for Bangladesh on 1.5.2019. He returned to India on 1.7.2020 and went to U.K on 1.12.2020. He was posted back to India on 20.1.2023. What is his residential status for the assessment year 23-24

### SECTION C

Answer any two questions. Each questions carries twelve marks

(2 x 12 = 24)

7. Sri Ram submits the following particulars of his income for 22-23
- |  |            |
|--|------------|
| a. Income from house property in Hasan received in Paris   | 650000     |
| b. Salary income from an Indian employer received in New York  | 75000 p.m. |
| c. Income from business in Mumbai received in Bangalore  | 1250000    |
| d. Dividend from foreign company received in Chennai   | 180000     |
| e. Income from business in Hong Kong controlled from Tumkur (25% received in Tumkur)                       | 1500000    |
| f. Interest on Post office SB a/c in Bangalore   | 14500      |
| g. Income from Agricultural land in Sri Lanka(50% received in India)                                       | 205000     |
| h. Share from HUF  | 60000      |
| i. Royalty received in India for the services rendered in Japan  | 600000     |
| j. Interest earned on US govt bonds received in London   | 175000     |
| k. Interest on SBI deposits received in Bhutan   | 7080       |
| l. Past untaxed foreign income brought to India  | 610000     |
| m. Interest on housing loan given to Mr. X for construction of house in Bangladesh (received in Bangalore) | 65020      |
- Calculate his Gross total income for the AY 23-24 if he is
- Ordinary resident
  - Not ordinary resident
  - Non resident
8. Smt. Keerthi an employee of RK Ltd. Delhi receives the following incomes during the PY 22-23
- Basic salary up to 31.8.2022 Rs.6000 p.m. there after at 6500p.m.
  - Leave travel concession Rs.4500 ( entire amount spent)
  - Dearness Allowance Rs.4500 p.m. ( 2/3 enters into retirement benefits)
  - Children Education Allowance Rs.250 p.m. for one child
  - Reimbursement of medical expenses Rs.30000 ( private hospital)
  - Facility of watchman and cook is provided by the company. Each of whom is paid a salary of Rs.700 p.m.
  - Interest free loan for purchasing home appliances Rs.60000 is provided by the company on 1.4.2022 ( SBI lending rate for similar loan 1.4.2022 is 10% p.a. )
  - Smt. Keerthi has been provided with rent free flat at Delhi ( rent paid by the company Rs.40000 p.m.)
  - Smt. Keerthi paid professional tax Rs.200 p.m.
- Compute Smt. Keerthi salary income for the AY 23-24

9. Smt Renu is the owner of three houses. The particulars of 3 houses are given below

Particulars	House 1	House 2	House 3
Use of house	Let out	Let out	SOP
Standard rent	300000	400000	--
Municipal value	200000	600000	600000
Fair rental value	360000	360000	700000
Actual rent p.m.	30000	40000	--
Municipal tax paid	10% of MV	10% of MV	10% of MV
Repair charges	--	--	4000

Smt Renu had borrowed a sum of Rs.600000 bearing interest of 10% p.a. for the construction of House 3. Construction completed on 31.5.2022. Date of borrowing loan 1.4.2021. Determine the income from house property for the AY 23-24

#### SECTION D

Answer any one question. Each questions carries six marks

( 1 x 6 = 6)

10. List out any 6 Exempted incomes under Section 10 of an individual as per IT act 1961
11. Prepare slab rates chart for different individual assessed