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CB – 379

**VI Semester B.Com. Examination, August/September 2023
(CBCS) (Fresh) (2022-23 and Onwards)
TOURISM AND TRAVEL MANAGEMENT
6.1 : Income Tax – II**

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any 5** sub-questions. **Each** sub-question carries **2** marks : **(5×2=10)**

1. a) What is profession ?
- b) Mention any four admissible expenses while calculating income from business.
- c) What is meant by cost of improvement ?
- d) What do you mean by less tax securities ?
- e) Expand :
 - i) PAN
 - ii) CIT.
- f) Explain the provision U/S 80U.



SECTION – B

Answer **any three** questions. **Each** question carries **five** marks : **(3×5=15)**

2. Briefly explain IT provision for set off and carry forward of the following losses.
 - i) Short term capital loss.
 - ii) Loss from property.
 - iii) Speculations business loss.
3. Briefly explain the powers of CBDT.

P.T.O.



4. Sri Ranga was the owner of two house properties (all residential) at Bangalore of which one residential house was sold on 28-02-2022 for ₹ 20,00,000. This house was purchased by him on 01-01-1979 for ₹ 15,000. He had made some additions to this house by spending ₹ 3,000 on 20-03-1980. Further, he added a room to this house at a cost of ₹ 1,00,000 on 14-11-2015. The FMV of this house on 01-04-2001 was ₹ 15,000. He purchased a new residential house at Mysore on 25-03-2022 for ₹ 2,00,000. Compute capital gain for the A.Y. 2022-23. (CII 2021-22 : 317, 2014-15 : 240, 2001-02 : 100).
5. Mr. Ravi investments during the year ended 31-03-2022 consisted of the following :
- ₹ 25,000, 9% Govt. securities.
 - ₹ 20,000, 11% Delhi corporation bonds.
 - ₹ 5,000, interest from POSB a/c.
 - ₹ 10,000, 7% National plan certificates.
 - SBI savings bank interest in ₹ 1,500.
- Calculate the taxable income of Mr. Ravi.

SECTION - C

Answer **any three** questions. **Each** question carries **fifteen** marks : (3×15=45)

6. From the following profit and loss account of Mr. Sathvik, compute his income from business for the A.Y. 2022-23.

Particulars		₹	Particulars		₹
To	Salaries	6,000	By	Gross profit	1,00,000
"	Purchase of machinery for research	11,000	"	Interest on debenture	2,000
"	Life insurance premium	6,000	"	Dividend from UTI	2,000
"	Bonus to staff	12,000	"	Discount received	6,000
"	Printing and stationery	4,000	"	Horse race	32,000
"	Household expenses	15,000	"	Refund of IT	7,500
"	Miscellaneous expenses	5,000	"	Cash assistance from Govt.	6,000
"	Advertisement paid in cash	22,000	"	Bad debts recovered	22,000
"	Car expenses :				
	Petrol	12,000			
	Driver's salary	6,000			
"	Property tax on HP	4,000			



" Medical expenses of his wife	3,000	
" Provision for GST	10,000	
" Depreciation	10,000	
" Gift and presents	2,000	
" Net profit	49,500	
	1,77,500	1,77,500

Adjustment Information :

- 1) 1/2 of the car expenses are for personal use.
 - 2) Depreciation on all assets is ₹ 7,200.
 - 3) Research conducted by the Mr. Sachin is related to his business.
 - 4) 40% of bad debts recovered were disallowed earlier.
7. Mr. Raj is a Chartered Accountant in Mysore. His receipts and payment account for the PY ending 31-03-22 is as follows :

Receipts		₹	Payments		₹
To	Balance b/d	56,000	By	Salary	1,00,000
"	Dividend	64,000	"	Rent	60,000
"	Professional income	5,60,000	"	Telephone charges	24,000
"	House rent	90,000	"	Professional expenses	20,000
"	Race course income	24,000	"	Motor car expenses	48,000
"	Lottery prize	1,20,000	"	Misc. expenses	30,000
			"	Purchase of car [31/9/21]	1,80,000
			"	Advance income tax	1,00,000
			"	Personal expenses	1,80,000
			"	Purchase of professional books	8,000
			"	Electricity	4,000
			"	LIC premium	16,000
			"	Balance c/d	1,44,000
		9,14,000			9,14,000

**Additional Information :**

- $\frac{1}{3}$ of car expenses relates to personal use.
- Depreciation of motor car allowed is 15%.
- Rent includes ₹ 30,000 paid for residential accommodation.
- Misc. expenses include donation paid to a notified temple ₹ 20,000.

Compute his professional income for the A.Y. 2022-23.

8. From the following particulars, compute taxable capital gains of Mr. Shiva (resident) for A.Y. 2022-23.

Assets	Date of purchase	Cost (₹)	FMV on 1-4-2001 (₹)	Date of sale	Sale price (₹)	Selling expenses (₹)
House property	1-12-2007	75,000	–	1-10-2021	15,00,000	20,000
Personal Jewellery	1-12-1978	12,000	20,000	1-11-2021	3,00,000	4,500
Listed debentures	1-12-2007	50,000	–	1-02-2022	2,00,000	1,000
Personal car	1-12-2012	30,000	–	01-01-22	12,000	–
Urban						
Agricultural land	1-12-1985	48,000	45,000	01-03-22	8,50,000	30,000

He purchased a new agricultural land on 31-03-2022 for ₹ 1,00,000.

[CII : 2001-02 : 100, 2007-08 : 129, 2012-13 : 200, 2021-22 : 317]

9. Mr. Narasimha submits the following particulars of income from other sources for the year ended 31-03-2022.

- Family pension from Govt. of Karnataka yearly ₹ 42,000.
- Royalty from books written ₹ 20,000 [Expenses incurred for this purpose ₹ 2,500].
- Remuneration from articles published in a magazine ₹ 2,000.
- Cash worth ₹ 1,00,000 was found in his private locker. The source of which could not be explained by him.
- Interest on fixed deposit in a bank ₹ 15,000 (Gross).
- Rent from subletting a house ₹ 1,500 PM [rent paid to the owner ₹ 1,000 PM and repair exp. ₹ 200].
- Winning from lottery net ₹ 70,000 (Purchase of lottery ₹ 100).
- Winning from Horse race ₹ 35,000 (Net).

Compute his taxable income from other sources for the A.Y. 2022-23.