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VI Semester B.Com. (TTM) Examination, July/August 2024
(NEP)

TOURISM AND TRAVEL MANAGEMENT

6.2 : Income Tax Law and Practice – II

Time : 2½ Hours

Max. Marks : 60

Instruction : Answer *all* the Sections in **English only**.



SECTION – A

Answer **any six** of the following sub-questions. **Each** sub-question carries **two** marks.

(6×2=12)

1. a) What is profession ?
b) What is long term capital gain ?
c) What is meant by cost of acquisition ?
d) What are tax-free govt. securities ?
e) Name any two admissible expenses while calculating business income.
f) Give the provisions of deduction U/S 80 G.
g) What is PAN ?
h) Give the meaning of set-off.

SECTION – B

Answer **any three** questions. **Each** question carries **four** marks.

(3×4=12)

2. Mr. Anurag Gowda is a member of legislative assembly. He has given the following incomes for the PY-2022-23. Compute income from other sources.
a) Salary from govt. of Karnataka ₹ 55,000 p.m.
b) Dairy allowance for attending session ₹ 70,000

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- c) Interest on FD with SBI (gross) ₹ 77,000
 - d) Rent from house property in B'lore ₹ 20,000 p.m.
 - e) Dividend from SCC Ltd. ₹ 6,000
 - f) Dividend from SCPC co-operative society ₹ 4,800
3. Mr. Ethon provides the following. Explain the provisions for set-off and carry forward losses.
- a) Loss from house property
 - b) Speculation business loss
 - c) Short term capital loss
4. Mr. Amith bought a residential house property in May 2011 for ₹ 2,34,000. He renovated property in 2016-17 at a cost of ₹ 3,21,000 and the property was sold for ₹ 29,00,000 in Nov. 2022, brokerage 2%. Another residential house property was bought in Feb. 2023 for ₹ 6,60,000 brokerage 2.5%.
- Compute the taxable capital gains for the AY 2023-24.
- CII 2011-12 = 184, 2016-17 = 264, 2022-23 = 331.
5. Briefly explain the procedure to obtain PAN.
6. From the following P/L a/c of Mr. Srajan Shetty, ascertain the taxable profit from business. (Ignore alternative tax regime)

Dr. Particulars	Profit and loss a/c Amt.	Particulars	Cr. Amt.
	₹		₹
To Office salary	4,800	By Gross profit	1,35,532
To General expenses	2,550	By Commission	1,205
To Bad debts	3,000	By Discount	751
To Reserve for bad debts	3,000	By S. Receipts	202



To Advertisement	2,500	By Rent of building	52,640
To Int. on capital	1,000	By Capital gain	3,000
To Depreciation	1,200		
To Net profit	1,75,280		
	1,93,330		1,93,330

The amount of depreciation allowable is ₹ 1,000.

SECTION – C

Answer **any three** questions. **Each** question carries **twelve** marks. (3×12=36)

7. Following is the P/L a/c of Mr. Litesh for the year ending 31-3-2023.

Particulars	Amt.	Particulars	Amt.
	₹		₹
To Salaries	18,000	By G/P b/d	74,800
To Advertisement	14,000	By Rental income (50% of HP)	38,000
To S. Expenses	14,500	By Dividend	24,000
To Int. on capital	12,000	By Winning from lottery	40,000
To Fire insurance premium		By Interest on Govt. securities	22,000
(3000 relating to HP)	13,000	By Profit on sale of securities	
To Income tax	17,000	(Long term)	50,000
To Household expenses	12,500		
To Bad debts	10,000		
To Provision for bad debts	11,500		
To Repairs to HP	11,000		
To Municipal tax of HP	13,600		
To Life insurance premium	18,000		



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To Donation to PMNRF	12,000	
To Depreciation	13,700	
To Net profit	58,000	
	2,48,800	2,48,800

Mr. Litesh owns a house property, which is being used by him for the following purposes.

- 25% of carpet area for his own business
- 25% of carpet area for his own residence
- 50% of carpet area is let out for residential purposes.

Compute his taxable income for the AY 2023-24.

8. Dr. Huzifa is a registered medical practitioner. She keeps her book on cash basis. The summary of her cash a/c for the year ended 31-3-2023 is as follows :

Particulars	Amt. ₹	Particulars	Amt. ₹
To Balance b/d	58,500	By Cost of medicines	1,20,000
To Loan from bank for professional use	1,00,000	By Gen. expenses	60,000
To Sale of medicines	2,65,000	By Salaries	12,000
To Consultation fees	1,60,000	By Rent of dispensary	24,000
To Visiting fees	30,000	By Telephone expenses	5,000
To Int. on Govt. securities	36,000	By Life insurance premium	25,000
To Rent from HP	80,000	By Int. on loan from bank	22,500
To Gift from father-in-law	50,000	By Insurance premium	
To Gift from patients	20,000	On Car	7,000
		On HP	<u>5,000</u>
			12,000



By Local taxes	8,000
By Travelling exp. (personal)	10,000
By Charity	1,000
By Bal. c/d	5,00,000
7,99,500	7,99,500

Compute her income from profession for the AY 2023-24, taking into the following information :

- Only half motor car expenses is in respect of personal use.
 - Rent of dispensary for 4 months ₹ 12,000 and telephone bill ₹ 2,000 are outstanding.
 - Consultation fees include a receipt of ₹ 60,000 for attending medical in April 2022.
 - The WDV of motor car on 1-4-2022 was ₹ 1,27,200, rate of depreciation at 15% p.a.
9. Ms. Janusha submit the following particulars of her income for the PY 2022-23.
- Business income ₹ 50,000.
 - She had shares of face value of ₹ 1,50,000 which she purchased for ₹ 2,40,000 on May 2014. She sold them for ₹ 5,25,000 on 10th September 2022 and brokerage 1% on the face value.
 - On 30th November 2022, she sold her personal car for ₹ 1,00,000 which had purchased 5 years back ₹ 75,000.
 - She sold one of her residential house, costing ₹ 2,74,000 in 2022 for ₹ 14,30,000 and paid brokerage ₹ 15,000 which was purchased in 2008-09.
 - She sold listed debentures of a company on 1/8/2022 for ₹ 1,81,000, which were purchased for ₹ 1,31,500 on 1/2/2017.



- f) She sold jewellery on 1/7/2022 for ₹ 21,50,000 which cost ₹ 5,25,000 in May 2002.

CII are 2002-03 = 105, 2008-09 = 137, 2017-18 = 272 and 2022-23 = 331.

Compute her taxable capital gain for AY 2023-24.

10. Ms. Nithyashree submits the following particulars of income from other sources for the year end 31/3/2023.

- a) Composite rent of building along with machinery ₹ 2,50,000. The following are the expenses on machinery : depreciation ₹ 8,000 and repairs ₹ 4,000.
- b) She earned a Royalty of ₹ 40,000 from stone quarry and the expenses to earn this income ₹ 3,000.
- c) Salary as MP ₹ 35,000.
- d) Income from fixed deposit ₹ 45,000.
- e) She earned a dividend from foreign company grossing ₹ 65,000 of which ₹ 15,000 was deducted as TDS in that country and the balance was received in India.
- f) Winnings from horse race ₹ 2,10,000 (Net).
- g) Remuneration as examiner from a university ₹ 48,000 and incidental expenses ₹ 6,000 of which 50% expenses were reimbursed by university.
- h) Unexplained expenditure ₹ 10,000.
- i) She has taken a house on rent for ₹ 21,000 p.m. She has sub-let out 1/3 of the house for ₹ 15,000 p.m. and the expenses relating to the entire house incurred by her – Municipal tax ₹ 15,000, Repairs – ₹ 6,000.

Compute the income from other sources for the AY 2023-24.



11. From the following particulars of Mr. Arpith, calculate his tax liability for the AY 2023-24 (under existing and alternative tax regime).

	₹
a) Gross salary	1,79,000
b) Business income	70,000
c) Royalty on books for colleges	30,000
d) Rent from house property	20,000
e) Dividend income	15,200
f) Bank interest	8,800
g) Income of a minor son	50,000
h) Long-term capital gains	30,000
i) Contribution to PPF	3,000
j) Health insurance premium paid	800
k) Donation to National Defence fund	5,000
l) Life insurance premium paid	1,000