

CODE: 196011
NOVEMBER 2020

TIME: 2 Hrs
MAX. MARKS: 50

24. The following are the particulars of income of Sri. Sundar for the previous year ended 31st March 2020.

	₹
Loss from house property	8,000
Interest received on Sundry advances	3,000
Cloth Business income	75,000
Share of loss in a firm	18,000
Loss in speculation	3,200
Dividends	5,000
Short term capital Gains	2,500
Long term capital Loss	20,000

Compute the Gross total income of Sri. Sundar setting off the different losses against other incomes and mention losses, which could be carried forward.

25. Explain the different types of Assessments under Income Tax Act.

PART A (10 x 2=20)
Answer any **TEN** questions.

1. What is the concept of “Total Income” under Income Tax Act?
2. Write a note on Previous Year.
3. Who is a resident?
4. What are allowances?
5. Define Gross Annual value.
6. Write a note on expenditure on scientific research.
7. What do you mean by Capital Asset for income tax purposes?
8. What is casual income?
9. What do you understand by ‘set-off’ of losses?
10. How would you determine the net income of an individual?
11. What do you mean by filing of return of income?
12. What is Belated Return?

PART B (2 x 5=10)
Answer any **TWO** questions.

13. Define the term ‘Person’ under the IT Act 1961.
14. What is the procedure of computing business income?
15. What are the due dates for filing return of income?
16. Mr.Rajesh, an Indian citizen employed in U.K came to India for a visit in 2017 on 4th August and left again on 4th January 2018. He was in India again from 31st December, 2019 till 4th April 2020. You are required to determine his residential status for the previous year 2019-20.
17. Mr. Kumar is an employee of National Ltd. He gets basic salary of ₹40,000 p.m., D. A (50% enter for retirement benefit) ₹20,000 p.m. and medical allowance ₹4,000 p.m. Professional tax paid 2,400 p.a. he has been provided with a rent free accommodation in Mumbai. Calculate taxable amount of rent free accommodation.

18. Mr. Kumaran sells a residential house property in Chennai for ₹28,00,000 on June 25, 2019 which was acquired by him on May 10, 1986 for ₹3,00,000. The Fair Market value of the property as on 1st April, 2001 was ₹5,60,000. During the year 2008-09 he incurred ₹1,50,000 towards cost of improvement of the property. He paid ₹ 20,000 as expenses on transfer of the property. Compute the long term capital gain. CII for 2001-2002 is 100; 2008-09 is 137; and for 2019-20 is 289.
19. Compute Income from other sources of Sri. Ganesh for the previous year 2019-20:
- Dividend on equity shares ₹800
 - Dividend on preference shares ₹3,000
 - Income from letting of building and machinery ₹17,000
 - Director's fees ₹1,200
 - Undisclosed income ₹10,000
 - Winning from lottery (net) received ₹7,000
- He claims the following deductions: Depreciation on building ₹3,000 and insurance on Machinery ₹800.
20. Mr. Balu earned a total income of ₹6,00,000 in the previous year 2019-20 and made the following donation during the year:
- ₹15,000 to Chief minister's Earthquake Relief Fund.
 - ₹10,000 to National Foundation for communal Harmony.
 - ₹30,000 to municipal corporation approved for promotion of family planning.
 - ₹20,000 to approved institutions.
 - Donations: Clean Ganga Fund ₹25,000 and National Fund for control of Drug Abuse ₹20,000.
- Compute the amount of deduction admissible u/s 80G for AY 2020-21.

PART C (2 x 10=20)
Answer any **TWO** questions.

21. Following are the incomes of Mr. Arun for the previous year 2019-20:

	₹
(i) Share of Income from a joint venture in India	- 10,000
(ii) Dividend from a foreign company received in India	- 5,000
(iii) Income from agricultural land in Sri Lanka received in India	- 20,000
(iv) Salary received in India but services were rendered in Iran	- 12,000
(v) Income from business (Controlled from India) in Sri Lanka and remitted to India.	- 10,000
(vi) Income earned and received in Sri Lanka from bank deposit	- 5,000
(vii) Income accrued in India but received in Iran	- 10,000

Compute Mr. Arun's Income for the Assessment year 2020-21 if he is

- (a) Resident (b) Not Ordinarily Resident and (c) Non – Resident

22. Ganesh owns a house property at Coimbatore. It consists of three independent equal units. Unit 1 is used for own residence, Unit 2 is let out and Unit 3 is used for own business.

Following are the Information related to the property.

	₹
Municipal rent Valuation	1,50,000 p.a.
Fair rental Value	1,65,000 p.a.
Standard Rent	1,40,000 p.a.
Rent	4,500 p.m.
Unrealized rent	for 3 months
Municipal Taxes Paid	18,000
Repairs	15,000
Insurance	3,000
Interest on capital borrowed for purchase of property	1,00,000
Date of completion of house property	1.11.1998

Compute his income from house property for the AY 2020-21.

23. Following is the Profit & Loss account of Mr. Rao for the year ended 31st March, 2020.

Particulars	₹	Particulars	₹
To General expenses	34,000	By Gross profit	2,03,250
To Interest on capital	28,000	By Dividend received	16,000
To Salaries to staff	36,000		
To Bad debts	4,000		
To Advertisement (cash)	21,250		
To fire insurance	3,000		
To Depreciation	6,000		
To Provision for Doubtful debts	3,000		
To Income tax	10,000		
To Donation to school	8,000		
To Motor car Expenses	6,000		
To Net profit	60,000		
	2,19,250		2,19,250

Additional information:

- Depreciation as per Income tax is ₹5,000
- Motor car is used for 1/4th for personal use.

Compute his Business Income for Ay 2020-21.