

**VI Semester B.Com. Degree Examination,  
September/October 2020**

**COMMERCE  
Paper 6.6 – Income Tax – II  
(CBCS)**

Time : 3 Hours

Max. Marks : 70

**Instructions :** Attempt **all** Sections according to Internal Choice.

**SECTION – A**

Answer **any five** questions from the following :

**(5 × 2 = 10)**

1. Give any four incomes chargeable under the head Income From other Sources U/S – 56(1).
2. What is capital gain?
3. Who is a Karta?
4. State the deductions allowed U/S – 57 from Gross Interest.
5. Who is a working partner?
6. Who is called an Individual?
7. Expand PAN and TAN.

**SECTION – B**

Answer **any three** questions from the following :

**(3 × 5 = 15)**

8. (a) Family Pension – ₹ 24,000
- (b) Winnings from Lottery (Net) ₹ 63,000
- (c) Royalty Income (Expenses incurred ₹ 1,400) – ₹ 16,400
- (d) Income from Agriculture in Japan – ₹ 20,000
- (e) Directors Fees – ₹ 6,000
- (f) Dividend received from Domestic Company ₹ 10,000

From the above details of Mr. Raja, compute income from other sources for the A.Y. – 2019-20.



9. Compute the Taxable Capital Gain of Mr. Nagesh for the A.Y. 2019-20.

SL.No.	Particulars	Jewellery
1.	Year of Acquisition	2012-13
2.	Cost of Acquisition	₹ 3,00,000
3.	Year of improvement	2014-15
4.	Cost of improvement	₹ 36,000
5.	Selling expenses	₹ 10,000
6.	Sale proceeds	₹25,00,000

The cost inflation indices for the year 2012-13 = 200, 2014-15 = 240 and 2018-19 = 280.

10. Mr. Murthy provided the following information for the P.Y. – 2018-19 :

(a) Net Income from House property ₹ 50,000

(b) Net Income from Salary – ₹ 3,50,000

During the year, he donated ₹ 20,000 to the P.M. National Relief Fund. Compute the tax liability of Mr. Murthy for the A.Y. – 2019-20.

11. A, B and C are the partners in a Firm of which C is Non-working partner. Net profit computed U/S – 28 to 44 D is ₹ 2,40,000. The firm has debited to its P & L A/c salaries of ₹ 1,50,000, ₹ 1,00,000 and ₹ 80,000 by A, B and C respectively. Calculate Income from Business of Firm.

12. Calculate Income from Business of H.U.F. from the following information :

(a) Salary to Karta ₹ 10,000

(b) Loss from speculation Business ₹ 5,000

(c) An irrecoverable loan given to a relative of Karta ₹ 12,500

(d) The family Business Income is ₹ 50,000.

### SECTION – C

Answer **any three** questions from the following :

(3 × 15 = 45)

13. From the following particulars compute the total capital gain of Mr. Rahul for the A.Y. – 2019-20.

SL.No.	Particulars	House I	House II
1.	Date of purchase	May – 1997	Dec. – 2000
2.	Cost of Acquisition	₹ 1,90,000	₹ 2,50,000

SL.No.	Particulars	House I	House II
3.	Cost of improvement in the year - 2000	₹ 10,000	₹ 25,000
4.	Fair market value on 1-4-2001	₹ 1,75,000	₹ 3,50,000
5.	Cost of further improvement in 2009-10	₹ 51,800	₹ 77,000
6.	Sale proceeds of property in 2018-19	₹ 6,47,000	₹ 12,80,000

The cost inflation Indices for the Financial year 2001-02 = 100, 2009-10 = 148 and 2018-19 = 280.

Mr. Rajesh furnished the following particulars of his income relating to P.Y. - 2018-19.

- ₹ 20,000, interest on 10% tax free Bonds of X Ltd.
- ₹ 5,000, Dividend from Tata Ltd.
- ₹ 8,000, Dividend from Foreign Company.
- ₹ 5,000, Dividend from Co-operative Society.
- ₹ 2,000, interim dividend at 10% on shares of Reliance Industries.
- ₹ 30,000 Directors Fees
- ₹ 25,000, interest on term deposits of Bank
- ₹ 8,000 Family Pension amount
- ₹ 25,000 Royalty from Mining Company (expenses ₹ 3,000)
- ₹ 18,000 income from letting machinery and furniture
- ₹ 12,000 Rent Received on subletting house (rent paid ₹ 6,000)
- ₹ 35,000 winnings from lottery (Net)
- ₹ 7,000 winnings from Card Games (Net)

On 1-11-2018, he purchased capital investment Bond worth ₹ 60,000 for which he borrowed ₹ 50,000 at 10% interest P.A. He claimed the following expenses :

- Collection charges of Dividend ₹ 800 (On Foreign Company Dividend).
- Interest on loan taken for purchase of shares ₹ 2,000.



- (iii) Interest on loan taken for purchase of capital investment Bond ₹ 2,000.  
 (iv) Repairs and Insurance amounting to ₹ 8,000 on letting out Machinery.  
 (v) Loss on Card Games ₹ 5,000.

Compute Income from other sources of Mr. Rajesh for the A.Y. - 2019-20.

15. The following details have been supplied by the Karta of a H.U.F. Compute the total taxable Income of the Family for the A.Y. - 2019-20.

- (a) Profits from Business ₹ 84,000  
 (b) Salary received by a Member of HUF for his service elsewhere ₹ 20,000  
 (c) Directors Fees received by Karta by his personal exertion ₹ 4,000  
 (d) Annual Rental Value of the LOP ₹ 16,000  
 (e) Municipal taxes paid ₹ 800  
 (f) Dividend from a Co-operative Society ₹ 1,500  
 (g) Long Term Capital Gain ₹ 6,620  
 (h) Short Term Capital Gain ₹ 3,500  
 (i) Donations to P.M. National Relief Fund ₹ 3,000  
 (j) Share of profits from a partnership Firm ₹ 3,500  
 (k) Interest on Savings Bank Deposits ₹ 12,740.

16. Arun, Basha and Charles are equal partners in a firm. Arun is a non-working partner. Their Profit and Loss Account for the year ending 31-3-2018 is as follows :

Profit and Loss Account

Dr.			Cr.		
SL.No.	Particulars	(₹)	SL.No.	Particulars	(₹)
(1)	To Salaries	1,27,600	(1)	By Gross profit	5,30,000
(2)	To Office expenses	25,000			
(3)	To Interest on capital :				
	Arun	45,600			
	Basha	22,800			
	Charles	19,000			

Cr.

Dr.

(4) To Commission :

Arun	15,000	
Basha	10,000	
Charles	5,000	
To Net Profit	2,60,000	
	5,30,000	5,30,000

Additional information :

- (a) Salaries include salary to Basha ₹ 10,000 and to Charles ₹ 15,000.  
 (b) Capital of partners on 1-4-2018 were Arun ₹ 2,40,000, Basha ₹ 1,20,000 and Charles ₹ 1,00,000.  
 (c) Office expenses include Bonus to Arun ₹ 1,000, Basha ₹ 1,500 and Charles ₹ 2,500.

Compute the Book profit and the total income of the firm for the A.Y. 2019-20.

17. From the following Receipts and Payments Account of Dr. Narayan, compute his total taxable Income for the A.Y. 2019-20. <https://www.vskub.com>

## Receipts and Payments Account

Dr.			Cr.		
Sl.No.	Receipts	₹	Sl.No.	Payments	₹
(1)	Cash on hand	4,000	(1)	Dispensary expenses	44,000
(2)	Consultation fees	2,60,000	(2)	Medical Periodicals	1,600
(3)	Visiting fees	40,000	(3)	LIC Premium	24,000
(4)	X-Ray fees	1,00,000	(4)	Salaries to staff	1,20,000
(5)	Share from HUF	16,000	(5)	Domestic Expenses	1,10,400
(6)	Loan from Bank		(6)	Donations	40,000
	for purchase of		(7)	Cost of Surgical	
	Surgical			Equipments	1,20,000
	equipments	60,000	(8)	Deposit in Bank	1,20,000
(7)	Winnings from		(9)	Car expenses	12,000
	Lottery (Net)	70,000	(10)	Cash in Hand	6,000
(8)	Rent from LOP	48,000			
		5,98,000			5,98,000



Additional information :

- (a) Depreciation allowable as per rules is ₹ 10,000.
  - (b) Donations are ₹ 4,000 to political party and ₹ 36,000 to unapproved charitable institution
  - (c) Domestic expenses include ₹ 12,000 being premium of one more LIC Scheme.
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