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LA—113—2023

FACULTY OF COMMERCE

B.Com. (Second Year) (Third Semester) EXAMINATION

NOVEMBER/DECEMBER, 2023

TAX PROCEDURE AND PRACTICE

Paper-TPP-VI

(Income Tax Procedures and Provisions-I)

(Wednesday, 13-12-2023)

Time : 2.00 p.m. to 5.00 p.m.

Time—3 Hours

Maximum Marks—75

N.B. :- (1) Question No. 1 is compulsory.

(2) Solve *all* questions.

1. Explain in detail residential status of individual and HUF. Determine residential status of Mr. Smith who come to India first time on 20.05.2021 and stay in India up to 31.03.2022. 20
2. Write a note on Leave Encashment and Gratuity, Pension, Retrench compensation and Retirement Compensation. 15

Or

Mr. Rammana retired on 8.10.2021 after completion of 20 years and 8 months of service and received gratuity of 15,00,000. At the time of retirement, his salary was :

Basic salary 30,000 p.m.

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(2)

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Dearness allowance 20,000 p.m. (60% of which is for retirement benefits)

Commission 1% of turnover (turnover in the last 12 months was 12 L)

Bonus 80,000 p.a.

Compute his taxable gratuity assuming.

- (1) He is private sector employee and covered by Payment of Gratuity Act, 1972.
- (2) He is private sector employee and not covered by Payment of Gratuity Act, 1972.
- (3) He is a Government employee.

3. Briefly explain any 15 exempt incomes under section 10. 15

Or

Explain income tax authority and note down the powers of income tax officer.

4. Explain clubbing provision of Income Tax Act, 1961. 15

Or

Explain powers of CBDT and also determine residential status of Mr. Kadambi Srikant who left India on 15.10.2021 for french open Badminton Competition and stay outside India up to 31.01.2022.

5. Solve any *two* :

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- (a) Tax rate of individual with surcharge.
- (b) Compute tax when income of Rs. 18,00,000 as per 115 BAC.
- (c) Mr. Pavan received voluntary retirement compensation of 9,00,000 after 30 years 4 months of service. He still has 45 months of service left. At the time of voluntary retirement :
He was drawing basic salary 20000 pm.
Dearness allowance (which forms part of pay) 5,000 p.m.
Compute taxable voluntary retirement compensation.
- (d) Define person and residential status of company.