



**BRAINWARE UNIVERSITY**

**Term End Examination 2023-2024**  
**Programme – B.Com.(AFB)-Hons-2022**  
**Course Name – Income Tax Laws and Practices**  
**Course Code - BCMC302**  
**( Semester III )**

**LIBRARY**  
**Brainware University**  
**Barasat, Kolkata -700107**

**Full Marks : 60**

**Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

**Group-A**  
**(Multiple Choice Type Question)**

**1 x 15=15**

1. Choose the correct alternative from the following :

- (i) Select the item deducted from the Gross Annual Value (GAV) to arrive at the Net Annual Value (NAV) of a property.
- a) Gross annual value  
b) Municipal tax  
c) Standard deduction  
d) Property tax
- (ii) In India, which form is typically used by salaried individuals to file their Income Tax Return? Choose the right option
- a) ITR-1  
b) ITR-4  
c) ITR-7  
d) ITR-6
- (iii) If the municipal value of a property is Rs.2,50,000, and the property tax is Rs.50,000, select the net annual value (NAV).
- a) 150000  
b) 200000  
c) 250000  
d) 100000
- (iv) In most countries, what is the term for a tax return filed by a self-employed individual or business entity?
- a) Individual Tax Return  
b) Business Income Tax Return  
c) Corporate Tax Return  
d) Partnership Return
- (v) Choose the main difference between tax evasion and tax avoidance.
- a) Both are legal  
b) Both are illegal  
c) Tax evasion is illegal, while tax avoidance is legal  
d) Tax avoidance is illegal, while tax evasion is legal
- (vi) Choose the category of residential status for an individual who has spent less than 60 days in India during a financial year and has spent less than 365 days in the last four financial years.
- a) Resident  
b) Non-resident  
c) Not Ordinary Resident  
d) Resident but Not Ordinarily Resident
- (vii) Choose the residential status of an individual who is a citizen of India and has been living abroad for employment purposes.
- a) Resident  
b) Non-resident  
c) Not Ordinary Resident  
d) Resident but Not Ordinarily Resident
- (viii) Select the term for the money paid to employees when they take leave from work.
- a) Provident Fund  
b) Gratuity  
c) Leave Encashment  
d) Special Allowance
- (ix) Select the income component that is usually a fixed amount paid to employees as a part of their monthly salary.
- a) Gratuity  
b) Special Allowance  
c) House Rent Allowance (HRA)  
d) Basic Salary
- (x) Select the primary source of income from a house property.
- a) Rental income  
b) Property tax  
c) Municipal tax  
d) Capital gain
- (xi) Select the tax treatment for income received by employees as part of a Special Allowance.
- a) Fully taxable  
b) Partially taxable  
c) Fully exempt  
d) Taxed at a flat rate
- (xii) Select the component that is not a part of Gross Annual Value (GAV) for a property.
- a) Rent received  
b) Property value  
c) Loan interest  
d) Municipal tax
- (xiii) Which section of the Income Tax Act, 1961, governs TDS in India? Choose the right option
- a) Section 44AA  
b) Section 10(15)  
c) Section 194C  
d) Section 192
- (xiv) Choose the correct statement about TDS on salary income in India.
- a) TDS is not applicable to salary income  
b) TDS is deducted by the employer  
c) TDS is deducted by the employee  
d) TDS is deducted only on bonus payments
- (xv) If the municipal value of a house property is Rs.3,00,000, and the standard deduction is 30%, select the annual value after deduction.
- a) 200000  
b) 210000  
c) 300000  
d) 150000

**Group-B**  
**(Short Answer Type Questions)**

**3 x 5=15**

2. Explain different types of Provident Fund & their tax treatment.  
3. Define Advance Tax & its payment procedures for an individual.  
4. What are the tax implications of owning multiple properties?

5. Are there any exemptions for income from house property? Explain.

6. ABC Ltd. makes the following payments to Mr. X, a contractor, for contract work during the P.Y.2022-23-

₹ 20,000 on 1.5.2022

₹ 25,000 on 1.8.2022

₹ 28,000 on 1.12.2022

On 1.3.2023, a payment of ₹ 30,000 is due to Mr. X on account of a contract work.

Discuss whether ABC Ltd. is liable to deduct tax at source under section 195 from payments made to Mr. X.

OR

Explain the relationship between residential status & tax liability.

Group-C  
(Long Answer Type Questions)

5 x 6=30

7. Smt. Arpita has a house property in Kolkata. The Municipal Valuation for the same is INR 10,00,000. The Fair Rental for the property is INR 750,000. The Standard Rent per month is INR 800,000. She let out the property until 30th Nov, 22 for a monthly rent of Rs. 75,000 per month. Thereafter, the tenant vacated the property, and she used the house for self. The rent of Oct & Nov 22 could not be realized despite all efforts, and all the conditions for unrealized rent were satisfied. She paid Municipal Taxes @ 12% during the year. She also paid interest on the amount borrowed for repairs. Calculate the Income from House Property for AY 2023-24.
8. Define the concept of Leave Salary and its tax treatment (for govt. and non-govt. employee).
9. Explain the tax treatment of long-term and short-term capital gains on stocks and mutual funds in the assessment year 2023-2024.
10. Explain the concept of "Capital Gains Tax" and provide an overview of the tax rates applicable to long-term and short-term capital gains in the financial year 2022-23.
- 11.

Mr. Gupta retired on 1.12.2023 after 20 years of service and received leave salary of ₹ 5,00,000. Other details of his salary income are:

Basic Salary : ₹ 5,000 p.m. (₹ 1,000 was increased w.e.f. 1.12.2022)

Dearness Allowance : ₹ 3,000 p.m. (60% of which is for retirement benefit)

Commission : ₹ 500 p.m.

Bonus : ₹ 1,000 p.m.

Leave availed during service : 480 days

He was entitled to 30 days leave every year.

You are required to compute his taxable leave salary assuming:

(a) He is a government employee.

(b) He is a non-government employee.

12. Briefly explain the process of calculating Total Taxable Income for an individual.

OR

*Mr. B is working in XYZ Ltd. and has given the details of his income for the P.Y. 2018-19. You are required to compute his gross salary from the details given below:*

<i>Basic Salary</i>	<i>₹ 10,000 p.m.</i>
<i>D.A. (50% is for retirement benefits)</i>	<i>₹ 8,000 p.m.</i>
<i>Commission as a percentage of turnover</i>	<i>0.1%</i>
<i>Turnover during the year</i>	<i>₹ 50,00,000</i>
<i>Bonus</i>	<i>₹ 40,000</i>
<i>Gratuity</i>	<i>₹ 25,000</i>
<i>His own contribution in the RPF</i>	<i>₹ 20,000</i>
<i>Employer's contribution to RPF</i>	<i>20% of his basic salary</i>
<i>Interest accrued in the RPF @ 13% p.a.</i>	<i>₹ 13,000</i>