



UNIVERSITY WITH A PURPOSE

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**

**Online End Semester Examination, December 2021**

**Course: Income Tax**  
**Program: B.Com-H-Tax**  
**Course Code: FINC 2043**

**Semester: III**  
**Time 03 hrs.**  
**Max. Marks: 100**

**Instructions:**

- a. Attempt all the questions
- b. Show all the workings

**ALL THE BEST!!!**

**SECTION A**

S.NO	QUESTION	MARKS	CO
Q1.	The basic exemption limit for a senior citizen is a. ₹ 1,80,000 b. ₹ 2,50,000 c. ₹ 3,00,000 d. ₹ 5,00,000	2	CO1
Q2.	The amount of education cess and secondary and higher education cess to be collected along with income tax for the assessment year 2020-21 shall be: a. 1% b. 2% c. 3% d. 4%	2	CO1
Q3.	The term income includes the following types of incomes a. Legal b. Illegal c. Legal and illegal both d. None of the above	2	CO1
Q4.	Which of the following income is not included in the term 'income' under the Income Tax Act 1961: a. Profits and games b. Profit in lieu of salary	2	CO1

	<ul style="list-style-type: none"> <li>c. Dividend</li> <li>d. Reimbursement of travelling expenses</li> </ul>		
Q5.	<p>Income tax is levied on the total income of..... of every person:</p> <ul style="list-style-type: none"> <li>a. Assessment year</li> <li>b. Previous year</li> <li>c. Financial year</li> <li>d. Calendar year</li> </ul>	2	CO1
Q6.	<p><b>Fill up the blanks:</b></p> <ul style="list-style-type: none"> <li>a. Income of business commenced on 1st March 2016 will be assessed during the assessment year.....</li> <li>b. If control and management of the affairs of HUF is situated wholly outside India it would become a.....</li> </ul>	2	CO1
Q7.	<p><b>Fill up the blanks:</b></p> <ul style="list-style-type: none"> <li>a. Aggregate of incomes computed under the five heads of income after applying clubbing provisions and making adjustments of set of and carry forward of losses is known as .....</li> <li>b. Generally the year in which income earned is taxed is known as.....</li> </ul>	2	CO1
Q8.	<p><b>Write the correct answer:</b></p> <ul style="list-style-type: none"> <li>a. Under section 10(10), the maximum amount of gratuity received which is not chargeable to tax shall be.....</li> <li>b. Under section....., the maximum amount of leave encashment received which is not chargeable to tax shall be Rs. 3,00,000.</li> </ul>	2	CO1
Q9.	<p><b>State whether the following statements are true or false:</b></p> <ul style="list-style-type: none"> <li>a. Tax exemption is available to a non-resident even though he/she keeps an office agency for the purpose of buying and export.</li> <li>b. An Indian company is always resident in India no matter where and to what extent its place of effective management is situated.</li> </ul>	2	CO1
Q10.	<p><b>State whether the following statements are true or false:</b></p> <ul style="list-style-type: none"> <li>a. Sandeep limited is a company registered in Japan the place of effective management of its affairs is in India Sandeep limited is a non-resident company in India.</li> <li>b. Any income derived from land situated in India is agricultural income.</li> </ul>	2	CO1

**SECTION B**

Q11.	Mr. A gives the following data from which calculate his total income for PY 2020-21 that is AY 2021-22:	5	CO1
	Salary Income <span style="float: right;">₹10,000 per month</span>		
	Business profits <span style="float: right;">₹3,00,234 per annum</span>		
	House Property income <span style="float: right;">₹2,40,000 per annum</span>		
	Lottery income <span style="float: right;">₹1,00,000</span>		
	Deposit in the PPF account maintained with post office <span style="float: right;">₹50000 per annum</span>		
Q12.	Sir Vivian Richards is a foreign cricketer and has been coming to India for 100 days every year since 2013-14. Determine his residential status for the AY 2021-22 that is PY 2020-21.	5	CO2
Q13.	Mr. Amitabh Bachchan, 70 years of age, is a resident of India and has earned the total income of ₹13,10,000. Calculate his tax liability for the assessment year 2021-22 that is PY 2020-21.	5	CO3
Q14.	Write a short note on the slab rates for the AY 2022-23 i.e., PY 2021-22.	5	CO1

**SECTION C**

Q15.	<p>Provide the provisions of Entertainment allowance under the Indian Income Tax act, 1961. Calculate the amount of exemption for Entertainment allowance for the cases below:</p> <p><b>Case I:</b> Mr Neeraj is an employee of Haryana government and gets salary of ₹8000 per month. He receives entertainment allowance of ₹2000 per month and DA of 100% of basic salary. Haryana government has imposed professional tax upon him of ₹100 per month. On 15th March 2021 he has paid this amount for current year as well as for next year.</p> <p><b>Case II:</b> Mr Neeraj is an employee of OBC limited receiving monthly salary of ₹25,000 and monthly entertainment allowance of ₹6000. He is liable to pay professional tax of ₹200 per month but it is paid by the company on his behalf.</p>	10	CO3
Q16.	Provide the provisions of Professional tax under the Indian Income Tax act, 1961. Calculate the amount of deduction for the Professional tax for the cases below:	10	CO4

	<p><b>Case I:</b> Mr Neeraj is an employee of Haryana government and gets salary of ₹8000 per month. He receives entertainment allowance of ₹2000 per month and DA of 100% of basic salary. Haryana government has imposed professional tax upon him of ₹100 per month. On 15th March 2021 he has paid this amount for current year as well as for next year.</p> <p><b>Case II:</b> Mr Neeraj is an employee of OBC limited receiving monthly salary of ₹25,000 and monthly entertainment allowance of ₹6000. He is liable to pay professional tax of ₹200 per month but it is paid by the company on his behalf.</p>																		
Q17.	Write a short note on Section 80C Income Tax Act 1956.	10	CO4																
<b>SECTION D</b>																			
Q18.	<p>a. Following are the taxable income of Mr. Anand Ahuja for the AY 2021-22 that is PY 2020-21:</p> <table border="1" data-bbox="183 835 1297 1266"> <tr> <td>Income from Germany half is received in India</td> <td>₹3,00,000</td> </tr> <tr> <td>Interest income from UK development bonds money was received in UK and then later on remitted to India</td> <td>₹1,00,000</td> </tr> <tr> <td>Income from business in Bombay received in UK</td> <td>₹3,00,000</td> </tr> <tr> <td>Income from house property in India received in UK</td> <td>₹5,00,000</td> </tr> <tr> <td>He has received salary in India whereas half of the services were rendered in UK</td> <td>₹5,00,000</td> </tr> <tr> <td>He has received gift from father</td> <td>₹50,000</td> </tr> <tr> <td>He has received the remittance from his friend in the US</td> <td>₹85,000</td> </tr> <tr> <td>Agriculture income from land in Ludhiana</td> <td>₹1,00,000</td> </tr> </table> <p>Compute Mr Ahuja's total income for the assessment year 2021-22 if he is:</p> <ol style="list-style-type: none"> <li>ROR</li> <li>RNOR</li> <li>NR</li> </ol>	Income from Germany half is received in India	₹3,00,000	Interest income from UK development bonds money was received in UK and then later on remitted to India	₹1,00,000	Income from business in Bombay received in UK	₹3,00,000	Income from house property in India received in UK	₹5,00,000	He has received salary in India whereas half of the services were rendered in UK	₹5,00,000	He has received gift from father	₹50,000	He has received the remittance from his friend in the US	₹85,000	Agriculture income from land in Ludhiana	₹1,00,000	15	CO2
Income from Germany half is received in India	₹3,00,000																		
Interest income from UK development bonds money was received in UK and then later on remitted to India	₹1,00,000																		
Income from business in Bombay received in UK	₹3,00,000																		
Income from house property in India received in UK	₹5,00,000																		
He has received salary in India whereas half of the services were rendered in UK	₹5,00,000																		
He has received gift from father	₹50,000																		
He has received the remittance from his friend in the US	₹85,000																		
Agriculture income from land in Ludhiana	₹1,00,000																		
Q19.	Mr Sam Walton, an Indian citizen, retired from job on 28 <sup>th</sup> February 2021. On retirement, he received gratuity of ₹3,10,000. He was in job since 1 <sup>st</sup> July 1981. At the time of retirement, he was drawing the basic salary of ₹13,500 per month (net of TDS) and DA was 1/3 of basic pay. He also received ₹2,88,000 as leave encashment for 25 days for every completed year of service. He has availed 60% of the leaves to which he was entitled. The employer had deducted ₹4000 per month as TDS and had paid ₹2,500 as professional tax on his behalf. Compute his income taxable under the head salary for assessment year 2021-22 that is PY 2020-21.	15	CO4																