

GLS UNIVERSITY
FACULTY OF COMMERCE [SMPIC]
BCOM [HONS] SEM-5
TAXATION -1
ASSIGNMENT 2021- 22

UNIT-1 :- BASIC CONCEPTS OF TAXATION

QUE-1

Write Short Notes on

- (a) Person
- (b) Previous Year & Assessment Year

QUE -2

Distinguish between Direct Taxes and Indirect Taxes

QUE -3

What is the amount of Total tax payable by a Resident Individual (aged 81 years) for AY. 2021-22 if his total income is Rs. 25, 00,000. What will be the amount of total tax payable if the age is 79 years?

UNIT-2 :- RESIDENTIAL STATUS

QUE-1

Explain- "Incidence of income-tax depends upon the residential status of an assessee"

QUE-2

Mr. A earns the following income during the previous year ended 31st March, 2021.

Determine the income liable to tax for the A.Y.2021-22 if Mr. A is (a) R&OR, (b) RBNOR, and (c) NR in India during the previous year ended 31st March, 2021.

Salary income received in India for services rendered in Austria 25000

Income from profession in India, but received in Dubai 35000

Property income in Sri Lanka 45000

(out of which Rs.30000 was remitted to India.)

Profits earned from business in Chennai. 55000

Agricultural income earned and received in London. 65000

Profits from a business carried on at Bhtan but controlled from India 75000

QUE-3

Compute the total income in the hands of Mr. A who is 65 years old, being a resident and ordinarily resident, resident but not ordinarily resident, and non-resident for the A.Y. 2021-22

Income from agricultural land in Bangladesh received there and then brought to India 40,000

Income from profession in Sweden which was set up in India, received there but spent in India 60,000

Gift received on the occasion of his wedding	80,000
Interest on Savings Bank Deposit in HDFC bank	90,000
Income from a business in Sweden, controlled from Sweden	1,00,000
Agricultural income from a land in Punjab	1,20,000

UNIT-3 INCOME UNDER HEAD SALARIES

QUE-1

Mr. X retires from private company on 31st May 2020 and from June 2020 started getting pension of Rs 60,000 per month. He got commuted pension of Rs. 24,00,000 on 31st January 2021 which constitutes 80% of total value of pension. Find taxable total pension for previous year 2020-21 under the following situations:-

- (1) If Mr X received gratuity at the time of retirement
- (2) If Mr X didn't received gratuity at the time of retirement

QUE-2

Mr. A is entitled to a basic salary of Rs.60,000 p.m. and dearness allowance of Rs.20,000 per month, 40% of which forms part of retirement benefits. He is also entitled to HRA of Rs.30,000 p.m. He actually pays Rs.35,000 p.m. as rent for a house in Delhi. Compute the taxable HRA.

QUE-3

Mr X is an employee in PQR Ltd. Find out taxable salary income for PY 2020-21 from the following information:-

Mr X joined the company on 1-10-2017 in a salary grade of ` 20,000-2,000-24,000-3,000-39,000	
Dearness Allowance (DA is considered for retirement benefit calculations)	` 20,000 per month

Bonus	One month basic salary
Transport Allowance	` 3,000 per month
Lunch allowance	` 3,000 per annum
City Compensatory allowance	` 6,000 per month
Children education allowance for three children.	` 400 p.m. per child
Hostel expenditure allowance for two children.	` 600 p.m. per child
PQR Ltd. has given unfurnished accommodation to Mr X which is owned by PQR Ltd., in a city having population of 15 lakhs.	
Professional tax is paid by Mr X.	` 200 per month
Interest credited to recognized provident fund @ 12% p.a. is	` 36,000.
PQR Ltd. has also provided motor car, used for both purpose. All the expenses of car are paid by the employer. (including driver)	2.4 liters
PQR Ltd.'s contribution to recognized provident fund.	12% of Basic salary + DA

UNIT 4 INCOME UNDER THE HEAD HOUSE PROPERTY

QUE 1

Write a Note on following

[1] Deemed Owner U/S 27

[2] Deduction U/S 24(b) Interest on Borrowed Capital

QUE 2

Mr. P owns a house in Mumbai. During the previous year 2020-21, 2/3rd portion of the house was self-occupied and 1/3rd portion was let out for residential purposes at a rent of ₹ 8,000 p.m. Municipal value of the property is ₹ 3,00,000 p.a., fair rent is ₹ 2,70,000 p.a. and standard rent is ₹ 3,30,000 p.a. He paid municipal taxes @10% of municipal value during the year. A loan of ₹ 25,00,000 was taken by him during the year 2016 for acquiring the property. Interest on loan paid during the previous year 2020-21 was ₹ 1,20,000. Compute Mr. P's income from house property for the A.Y. 2021-22.

QUE 3

Mr. X owns following house properties. Compute her taxable income under the head House property for A.Y. 20-21.

Particulars	House -1 Own Business	House -2 Let out	House -3 Self Occupied	House -4 Self Occupied
Municipal Valuation	40,000	30,000	20,000	36,000
Annual fair Rent	35,000	24,000	21,000	32,000
Standard Rent	30,000	25,000	-	-
Monthly Rent Receivable with amenities	-	2,500	-	-
Municipal Tax [paid]	4,000	2,000	1,000	2,000
Amenities charges paid by landlord [p.a]	-	1,000	-	-
Interest on loan taken for the construction [PY 20 -21]	5,000	15,000	7,000	4,000
Total Capitalized interest during construction	15,000	5,000	2,500	5,000
Year of completion of construction	2017 -18	2016-17	2014-15	2015-16
Vacancy Period	-	1 month	-	-

**UNIT 5 EXEMPTED INCOMES, INCOME TAX AUTHORITIES ,PAN ,TDS,
ADVANCE TAX**

QUE 1 Write short Notes on

- [A] Mandatory quoting of Permanent Account Number
- [B] Advance Payment of Tax
- [C] Tax Deducted at source from any Four sources of Income

QUE 2

Discuss Exempted Incomes in short.

QUE 3

- [A] Director General of Income Tax
- [B] Settlement Commission
- [C] Assessing Officers

UNIT 6 GOODS & SERVICES TAX

QUE 1

Benefits & Limitation of GST

QUE 2

Short Notes

[A] GST Council

[B] State wise Threshold Limit of turnover under GST

[C] List of Taxes subsumed under GST

QUE 3

Define the following under CGST Act ,2017

[A] Works Contract

[B] Consideration

[C] Union Territory

GLS UNIVERSITY
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B.COM (HONOURS)
SEMESTER – V 2021-22
SUBJECT: MANAGEMENT ACCOUNTING-1

UNIT -1 Introduction to Management Accounting

- [1] Explain the benefits and limitations of management accounting.
- [2] State any two functions of management accounting.
- [3] Give two differences between cost accounting and management accounting.

UNIT-2 Budget and Budgetary Control

- [1] From the following information of Shravan Ltd. Prepare cash budget for three months from October to December 2020.

Months	Sales (₹)	Closing stock (₹)	Overheads (₹)
August	64,000	8,000	9,600
September	80,000	12,000	12,000
October	96,000	20,000	16,000
November	1,28,000	24,000	14,400
December	1,12,000	22,000	16,000
January	1,20,000	20,000	12,000

Additional Information:

- 1. On 1st October, 2020 cash balance was ₹40,000.
- 2. Goods are sold at a profit of 33 1/3 % on cost price.
- 3. All purchases are made on cash.
- 4. Cash sales are 40% of the total sales, 50% of credit sales are collected in the month after sales and remaining are collected in the second month after sales.
- 5. Time lag in payment of overhead is 1/4th month.
- 6. Income tax paid ₹8,000 for the month of November and dividend received of ₹30,000 and ₹42,000 for the months of November and December respectively.

7. An old equipment of ₹40,000 was purchased in the month of November. 50% amount was paid at the time of delivery and remaining amount was paid in the following month.

[2] Write advantages of Zero-Base Budgeting.

[3] Overheads are ₹ 4,00,000 and ₹ 5,00,000 at 60% and 100% production capacity respectively. Calculate overheads at 90% production capacity.

UNIT-3 Working Capital Management

[1]. Discuss the factors affecting Working Capital requirement.

[2] A firm is considering a proposal to increase the credit period from 45 days to 72 days. Bad debts are expected to increase from the current level of 1.5% to 3%. Total credit sales are expected to increase from the present level of 20,000 units to 25,000 units. The average cost per unit is Rs.60, sales price per unit is Rs.75 and variable cost is Rs.48 per unit. The firm expects a rate of return of 15%.

You are required to advise whether the firm should extend the credit period.

[3] ABC Co. sells its products on a gross profit of 20% on sales.

- Raw material ₹ 24,00,000
- Wages paid (time lag 15 days) ₹ 19,20,000
- Manufacturing expenses (1 month in arrears) ₹ 24,00,000
- Administration expenses (1 month in arrears) ₹ 4,80,000
- Sales promotion expenses (payable half yearly in advance) ₹ 4,00,000
- The company enjoys 1 month credit from suppliers and maintains 2 months stock of raw-material and one and a half month stock of finished goods.
- Sales at 3 months credit – ₹ 80,00,000.
- Cash balance to be maintained ₹ 1,00,000 and assume 10% margin to calculate Working Capital.

UNIT-4 Fund Flow and Cash Flow Statements

[1] From the following Balance-Sheets of X Co. Ltd., make out cash Flow statement.

Balance Sheets

Liabilities	31.3.11 ₹	31.3.12 ₹	Assets	31.3.11 ₹	31.3.12 ₹
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable Preference Share Capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Machineries	80,000	2,00,000
Profit and Loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash on Hand	15,000	10,000
Provision for Taxation	40,000	50,000	Bank Balance	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional Informations :

- (1) During the year 2011-2012 depreciation charged was ₹10,000 on machineries and ₹30,000 on land & building.
- (2) Interim dividend paid during 2011-2012 amounted to ₹20,000.
- (3) Taxation paid during the year 2011-2012 was ₹35,000.

[2] Calculate the change in working capital from following information:

Particulars	1-4-2020	31-3-2021
Debtors	40,000	50,000
Creditors	60,000	80,000
Bills Payables	35,000	25,000
Bills Receivables	55,000	25,000
Stock	40,000	25,000

[3] Calculate cash flow from operating activities from the following details:

Particulars	1.4.2020 ₹	1.4.2021 ₹
Profit and Loss A/c	1,10,000	80,000
General reserve	30,000	70,000
Provision for depreciation on plant	90,000	1,20,000
Creditors	52,000	45,000
Preliminary expenses	8,000	6,000
Debtors	75,000	55,000

One item of plant costing ₹60,000, having book value of ₹40,000 was sold for ₹55,000.

UNIT-5 Decision Making

[1] Sunlight Electricals Ltd. is operating at 75 percent capacity. Its fixed overheads are Rs. 1,20,000. The company is presently buying one of its parts from the market at Rs. 6 per unit. If it makes it in its own factory, the per unit cost would be as under:

Materials	Rs.2.50	Wages
Rs.2.00		
Factory overheads	Rs.1.20	

If it works at full capacity, it can manufacture 60,000 units.

The Cost Accountant has prepared the following statement and has presented that it would be costlier to make the part and buying it from outside would be cheaper.

	Cost per unit Rs.	Total Cost Rs.
Materials	2.50	1,50,000
Wages	2.00	1,20,000
Factory Overheads	1.20	72,000
Fixed Costs (25% of Rs.1,20,000)	0.50	30,000
	6.20	3,72,000

Give your opinion about the above statement.

[2] Explain the concept of Make or Buy Decision.

[3] Explain the concept of Shut-down Decision.

UNIT-6 Activity Based Costing & Just in Time

[1] Write 4 difference between JIT Purchase and Traditional Purchase method.

[2] Write a note on Activity Based Costing.

[3] A manufacturer produces two products A and B. Production of A is 1,000 units during one run, while production of B is 100 units during 10 runs.

- Materials and direct wage costs are similar in both the products, Production overheads are Rs. 33,000 which include the following:
- Rs. 16,500 set-up costs
- Rs. 11,000 quality control costs
- Rs. 5,500 material handling costs
- All the three activities are similar for both the products.

		Rs.
Total Cost :	Direct Material	25,000
	Direct Wages	5,000
	Overheads	<u>33,000</u>
		<u>63,000</u>

The production overheads are related to direct wages.

From the above information, SOLVE the following

- **Q** Show the calculation of Absorption Rate under traditional method
- **Q** Prepare cost sheet [Traditional Method]
- **Q** Allocation of overheads as per ABC
- **Q** Prepare Cost statement as per ABC.
- **Q** Prepare a Comparative statement

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B.COM. [HONS] SEM 5
SUBJECT : AUDITING AND BUSINESS ETHICS -1

Unit-1 Introduction to Auditing

Short Questions:

1. Write the advantages of Auditing
2. Explain 'Accountancy is a necessity and Auditing is a Luxury'

Long Question:

- [1] Write the difference between Accountancy and Auditing

Unit-2 Objects of Audit

Short Questions:

- [1] Write the different types of Errors
- [2] Write a note on 'Embezzlement of Cash'

Long Question:

- [1] Explain in Detail 'Manipulation of Accounts'

Unit-3 Types of Audit

Short Questions:

- [1] Write a note on Social Audit
- [2] Write a note on Internal Audit

Long Question:

- [1] Discuss Continuous Audit in Detail

Unit-4 Organizing Audit Work

Short Questions:

- [1] Write the difference between Audit Programme and Audit Note Book
- [2] Give the meaning and Advantages of Audit Programme.

Long Question:

[1] Give the meaning of Routine Check and also explain its advantages and limitations.

Unit-5 Internal Check, Internal Control and Internal Audit

Short Questions:

- [1] Define Internal Check
- [2] What is Internal Audit

Long Question:

[1]. Discuss Guiding principles of Internal Check.

Unit-6 Vouching

Short Questions:

1. Explain the types of Vouchers.
2. Explain the procedure of vouching of "Purchase".

Long Question:

1. Give the meaning of Vouching and explain its Importance.