

30. Mr. Sing has the following investments in the previous year ended 31<sup>st</sup> March, 2018:

- ₹ 11,000, 10% Karnataka State Government loan
- ₹ 30,000, 13.5% debentures LMT Ltd. (listed)
- ₹ 35,000, 11% securities of Sugar Mill Co. (listed)
- ₹ 32,000, 10% Tax – free commercial securities (listed)
- ₹ 3580 received as interest on Tamil Nadu Government Securities
- ₹ 3600 received as interest on the securities of a Paper Mill Company (not listed)
- ₹ 4500 received as interest on securities of Textile Company (listed)

Interest on all securities is payable on 30<sup>th</sup> June and 31<sup>st</sup> December. The bank charged 1.5% commission on Net realization of interest as collection charges. He was also a director in a company form which he received Rs. 3000 as directors; fees. His other incomes are:

- Winning from lottery ₹ 25,000
- Income from agriculture in Sri Lanka ₹ 10,000
- Winning from Horse race ₹ 15,000
- Interest on Post Office Savings Bank Account ₹ 2000

Find out his taxable 'Income from Other Sources' for the Assessment Year 2018-19.

31. Compute the tax liability of Mrs. Anushka for the assessment year 2018-19 from the following particulars?

(i) Net house property income as computed under the head income from house property	3,50,000
(ii) Income from business before adjusting the following:	80,000
a) Brought forward business loss of 2013-14	95,000
b) Current depreciation	42,000
c) Brought forward unabsorbed depreciation	96,000
(iii) Short term capital gain	3,78,000
(iv) Long term capital loss on land	60,000
(v) Long term capital gain	70,000
(vi) Dividend on shares held as stock-in-trade	15,000
(vii) Dividend from company carrying on agricultural	18,000
viii) Income from growing and manufacturing coffee (Cured and Roasted)	1,60,000

During the previous year 2017-18 the assessee has donated by cheque ₹ 66,000 to an approved local authority for the promotion of family planning and deposited in PPF account ₹ 70,000.

(2 x 15 = 30 Marks)

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(Pages: 4)

Name: .....

Reg. No.....

**SIXTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2020**

(CUCBCSS-UG)

(Supplementary/Improvement)

**CC15U BC6 B12 / CC16U BC6 B12 - INCOME TAX LAW AND PRACTICE**

Core Course

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

**Part I**

Answer *all* questions. Each question carries 1 mark.

I. Choose the appropriate answer form the following:

- Percentage of income from growing and manufacturing tea in India is considered as agriculture income:
  - 50%
  - 60%
  - 65%
  - 60%
- Cost of education for employer is Rs. 1200 p.m. per child. For employee taxable value of free education to his child shall be:
  - Rs. 1000 p.m.
  - Rs. 1200 p.m.
  - Rs. 200 p.m.
  - Nil
- Out of the following, which expense is not an admissible expense:
  - Bad debts
  - Value added tax
  - Income tax
  - Excise duty
- The income tax rate on long term capital gain for an individual is:
  - 10%
  - 20%
  - 15%
  - 30%
- Income of physically handicapped minor child shall be included in the income of:
  - Mother
  - Father
  - Mother or father whose income is greater
  - None of these

II. Fill in the blanks:

- Interest on capital paid by the firm to its partners is allowed \_\_\_\_\_
- Salary of M.P. will be taxable under the head \_\_\_\_\_
- Losses of speculation business can be set-off \_\_\_\_\_ years.

9. Under \_\_\_\_\_ income deduction under section 80 G is not allowed.  
10. Exemption for the assessment year 2018-19 limit in case of Non – resident in India, aged 70 years is \_\_\_\_\_

(10 x 1 = 10 Marks)

(1)

Turn Over

### Part II

Answer any *eight* questions. Each question carries 2 marks.

11. Define assessment year.  
12. Suresh purchased a house for his residential purposes after taking a loan in May, 2016. During the previous year 2017-18 he paid interest on loan ` 2,10,000. What is the amount of deduction available to the assessee as interest on loan?  
13. Explain speculative business income.  
14. Define unabsorbed depreciation.  
15. X limited spent ` 1,00,000 as preliminary expenses on 31<sup>st</sup> May, 2017. What is amount of deduction allowed in the assessment year 2018-19?  
16. ` 30,000 paid in cash for hire charges of goods carriage. What is the portion of allowed expenditure?  
17. What is indexed cost of improvement?  
18. What is meant by grossing up of interest?  
19. Write four such donations for which 50% deductions are allowed.  
20. State the rates of income tax for individuals.

(8 x 2 = 16 Marks)

### Part III

Answer any *six* questions Each question carries 4 marks.

21. X, a resident in India, aged 63 years, earned agricultural income fo ` 3,00,000 during the previous year 2017-18. Compute his tax liability assuming that his has non agricultural income of ` 6,30,000.  
22. Hetmayer, a West Indian, came to India for the first time on 10.01.2014 and left for Australia on 15.09.2014. He again caome to Indian on 01.05.2017 to leave for South Africa on 15.07.2017. determine his status for the previous year 2017-18.  
23. Mr. Yogesh is employed at Amritsar on a salary of ` 24,000 p.m. The employer is paying

H.R.A. of Rs. 2,800 p.m. but the actual rent paid by him is ` 4,000 p.m. He is also getting 2% commission on turnover achieved by him and turnover is ` 12,00,000. Compute his gross salary.

24. Mr. R retires from a company on 4<sup>th</sup> January, 2018 after serving 16 years. At the time of retirement his basic salary was ` 17,600 per month and he was also entitled to Dearness Allowance of ` 3,200 per month. On the retirement he received ` 2,40,000 as gratuity. He is covered under the Payment of Gratuity Act. Compute the taxable part of Gratuity.

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25. Rajesh is employed as a clerk in a Mill since 1<sup>st</sup> September 2003. He is getting ` 16,000 p.m. as salary and Rs. 4,000 p.m. as dearness allowance since 1<sup>st</sup> April, 2016. His services were terminated on account of retrenchment of employees on 1<sup>st</sup> July, 2017 and he was paid ` 3,00,000 as compensation. Compute his exempted amount of compensation for the Assessment Year 2018-19.  
26. The written down value of two plant and machinery A and B on 1.4.2016 is ` 10,00,000. Two new machinery C and D have been acquired for manufacture of an article in December 2016 and May 2017 respectively at a cost of ` 5,00,000 each. Compute the amount of depreciation for the assessment year 2107-18 and 2018-19. The assessee is not entitled to additional depreciation for the assessment year 2017-18.  
27. Profit & Loss account of a trader shows Net Profit of ` 3,38,000 after debiting following items. Find out income from business for the assessment year 208-19:  
h. Payment of income tax ` 7000 and income tax proceedings expenses ` 11,000.  
i. Interest on loan taken for payment of income tax ` 1,000  
j. Value added tax ` 1800 and interest ` 4,000 for delay payment of VAT.  
k. Cash payment to a creditor ` 28,0000  
l. Municipal tax ` 1800. 1/3 portion of the house is used for business and half portion is used for self-residence and remaining portion is let out.

m. Income of ` 750 accrued during the previous year is not recorded in P&L A/c.

Aforesaid net profit includes ` 3000 for recovery of old bad debts, which were disallowed by Income Tax Officer in past.

28. Mr. Manu purchased a plot in 2006-07 for ` 4,88,000. It was sold on 15.01.2018 for ` 15,80,000 and he paid ` 1,00,000 as brokerage charges. He invested ` 2,00,000 in NHAI bonds on 31.03.2018 and ` 3,10,000 in bonds issued by Rural Electrification Corporation Ltd. on 01.08.2018. Compute his taxable capital gains, if the CII for 2006- 07 was 122 and for 2017-18 was 272.

**(6 x 4 = 24 Marks)**

**Part IV**

Answer any *two* questions Each question carries 15 marks.

29. Write short notes on:

- a) Assessment of arrears of rent received, b) Realization of Unrealized rent,
- c) Income from House Property in a foreign country, and d) Standard Rent.

(3)

**Turn Over**