

30. Mr. X an employee of Ranchi (population 15 lakhs) based company provides the following particulars of his income:

a. Basic salary	Rs. 12000 p m
b. Profit bonus	Rs. 12000
c. Commission on turnover achieved by Mr. X	Rs. 42000
d. Entertainment allowance	Rs. 2000 pm
e. Club facility	Rs. 6000 pm
f. Transport allowance	Rs. 1000 pm
g. Free use of car of more than 1.6 litre capacity for both personal and employment purposes.	
h. Rent free house provided by the employer. Lease rent paid by the employer	Rs. 6000
i. Free education facility for three children of the employee (bills issued in the name of employer)	Rs. 22500
j. Gas, Water and electricity bills issued in the name of employee but paid by employer	Rs. 16800

Compute income under the head salary for the A.Y 2019-20

31. From the following P& L A/C of Mrs. Divya ascertain taxable business profit P & L A/C for the A.Y 2019-2020

Salaries	14,800	Gross profit	1,25,000
General expenses	12,550	Miscellaneous receipts	2000
Bad debts reserve	3000	Commission	4000
Income tax	1500	Interest on Govt. securities	3000
Gifts and presents	2000	Dividend from an Indian company	10,000
LIC Premium	1300		
Fire insurance premium	1000		
Wealth tax paid	15,000		
Audit fee	2750		
Interest on capital	4500		
Discount allowed	6000		
Trade expenses	24,500		
Net profit	55,100		
Total	1,44,000	Total	1,44,000

Depreciation allowance eligible to the business is Rs. 6500. General expenses include Rs. 4000 being the cost of a table purchased for domestic use.

(2 × 15 = 30 Marks)

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(Pages: 4)

Name:

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS-UG)

CC17U BC5 B09 - INCOME TAX LAW AND ACCOUNTS

(Core Course)

(2017 Admission Regular)

Time: Three Hours

Maximum: 80 Marks

PART A

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

I. Choose the correct answer:

- Total income of an assessee is determined on the basis of -----
(a) Citizenship (b) Residential Status (c) Nationality (d) Origin
- Gratuity received from the Government is -----
(a) Fully Exempted (b) Partly Exempted
(c) Fully Taxable (d) Exempted up to 2000000
- Which one of the following is not an example of perquisites?
(a) Car (b) House (c) Provident Fund (d) Hotel Accomodation
- The basis of income from house property is -----
(a) Annual value (b) Standard Rent (c) Municipal Value (d) Fair Rental Value
- Under Income Tax Act, depreciation is allowed on -----
(a) WDV (b) Cost Price (c) Market Price (d) Purchase Price

II. Fill in the blanks:

- Income Tax is a ----- tax.
- When an asset is received under a will, ----- is considered as its cost.
- The apex authority of Income Tax is -----
- Rent received from agricultural land is ----- income.
- Ground rent is taxable under the head -----

(10 × 1 = 10 Marks)

PART B

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

- Define the term income.
- Who is an assessee?
- What do you mean by annual accretion?

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Turn Over

14. How is pension taxed?
15. What is unrealised rent?
16. Explain the provisions relating to additional depreciation of plant and machinery.
17. What is indexed cost of acquisition?
18. What do you mean by tax-free commercial securities?
19. What is deduction of tax at source?
20. What do you mean by casual income?

(8 × 2 = 16 Marks)

PART CAnswer any *six* questions. Each question carries 4 marks.

21. Which are the situations in which gifts are not taxable?
22. Differentiate between short term capital gain and long term capital gain.
23. What is previous year? Under what circumstances income of a person can be assessed in the same year in which it is earned?
24. Mr. Francis has the following incomes for the financial year 2018-19.

a) Income from salary in India from a company in U.S.A.	: Rs.2,00,000
b) Dividend from a foreign company received in England and deposited in a bank there	: Rs.25,000
c) Income earned in Australia & received there, but brought into India	: Rs.20,000
d) Dividend from an Indian company received in England	: Rs.1,50,000
e) Income from a house property in India received in England	: Rs.55,000
f) Income from business in Kolkata, managed from U.S.A.	: Rs. 20,000

Compute the income of Mr. Francis for the PY 2018-19, if he is a Not Ordinarily Resident.

25. Mr. A, a foreign citizen leaves India for the first time in the last 20 years on November 20 2016. During the calendar year 2017 he came to India on September 1 and stayed for a period of 30 days. During the calendar year 2018; he did not visit India at all. He came to India on January 16 2019 and did not leave thereafter. Determine the residential status of Mr. A for the Assessment year 2019-2020. If (A) he is of Indian origin (B) he is not a person of Indian origin.
26. Mr. Fernandez of Ahmadabad purchased a plot of land for constructing a residential house in 1972 at a cost of Rs.1, 00,000. The other details are given below:

a) Half of the ground floor was constructed in 1975 spending Rs. 2,00,000
b) Market value of the house on 1/4/2001 Rs. 4,00,000
c) Second floor constructed in 2005-06 at a cost of Rs. 6,00,000

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- d) Sold the property in January 2019 for Rs. 1,90,00,000 (selling expenses Rs. 50,000)
- e) He purchased a new house for residential purpose at a cost of Rs. 20, 00,000 and deposited Rs. 50, 00,000 under Capital Gain Account Scheme 1988. Compute taxable capital gain
CII : 2005-06 -117, 2001-02 – 100, 2018- 19– 280

27. The following incomes were received by Mr.Arun during the year 2018-19.

- | | |
|--|-----------|
| a) Honorarium received for wiring articles in magazines | Rs.10000 |
| b) Income from agriculture abroad | Rs.25000 |
| c) Ground rent from land in India | Rs. 50000 |
| d) Interest from P.O,SB A/c | Rs.3500 |
| e) Dividend from foreign company | Rs.35000 |
| f) Rent from letting of building along with plant (repairs to the plant Rs.1000) | Rs.20000 |
| g) Winnings from horse race | Rs. 20000 |
| h) Interest on Rs.120000, 10% tax free debentures of a listed company in India. | |

Calculate income from other sources of Mr.Arun for the A.Y 2019-20

28. Sri. P. Krishnan constructed one house in 2016. Half of the portion is let out and the remaining half is used for his residence. The following particulars are available.

Municipal value	Rs.12500
Rent received	Rs.10000
Municipal taxes	Rs.2500
Ground rent	Rs.250
Repairs	Rs. 2000
Interest on loan taken for construction	Rs.2500

Compute his income from house property for the A.Y. 2019-20

(6 × 4 = 24 Marks)

PART DAnswer any *two* questions. Each question carries 15 marks.

29. List out various exempted incomes U/S 10

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Turn Over