

**Part D**

Answer *two* questions. Each question carries 15 marks

29. Mr. Zajo is an employee of a company in Mumbai. He gets monthly salary of Rs. 20,000, DA Rs.5,000 p.m., Bonus Rs. 3,000 p.m. and EA Rs. 2,000 p.m. he paid tax on employment Rs. 5,000 during the financial year 2016-17. He has been provided a rent free unfurnished house. He owns two houses. He claims that both the houses are self occupied. The following details are available:

Particulars	House I	House II
FRV	1,50,000	2,00,000
MRV	1,60,000	3,50,000
SRV	1,80,000	3,00,000
Municipal taxes paid	10%	10%
Repairs, Insurance and Land Revenue	40,000	60,000
Ground rent	10,000	20,000
Interest on capital borrowed	40,000	1,70,000
Loan taken on	1.1.1999	1.1.2006

Determine the total income of Mr. Zajo for the year 2016-17.

30. Calculate the amount of deduction under Section 80G.

1. Gross total income Rs. 3,00,000
2. Deduction u/s 80C to 80U (exempt u/s 80G) Rs.50,000
3. Donation by cheques :
  - a. PM National Relief Fund 30,000
  - b. Allahabad University – National Eminence 20,000
  - c. Technology development and application fund 10,000
  - d. PM Drought relief fund 10,000
  - e. Charitable society 10,000
  - f. Family planning 15,000
  - g. Sports association 20,000

31. Explain sections (Section 54, 54B, 54EC, 54F, 54G) exempted under the head Capital Gain.

**(2 x 15 = 30 Marks)**

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**15U659**

(Pages: 4)

Name: .....

Reg. No.....

**SIXTH SEMESTER B.Com DEGREE EXAMINATION, MARCH 2018**

(CUCBCSS-UG)

**CC15U BC6 B12 - INCOME TAX LAW AND PRACTICES**

Core Course

(2015 Admission)

Time: Three Hours

Maximum: 80 Marks

**Part A**

Answer *all* questions

Choose the correct answer from the following

1. Bad debts recovered is taxable if
  - a. Earlier allowed as deduction
  - b. Earlier not allowed as deduction
  - c. In both the cases
2. Cost of acquisition of Bonus shares acquired on 1.4.1981 is.....
  - a. FMV on the date of allotment
  - b. Nil
  - c. FMV on the date of application
3. Interest on \_\_\_\_\_ security is always grossed up
  - a. Tax free commercial
  - b. Less tax
  - c. Government
4. Long Term Capital Losses can be set off against.....
  - a. Any capital gain
  - b. Long Term Capital Gain only
  - c. Short Term Capital Gain only
5. Royalty income of authors get deduction from GTI under section.....
  - a. 80 RRB
  - b. 80 JJA
  - c. 80 QQB

Fill in the Blanks

6. A university is assessable for tax purposes under the category of\_\_\_\_\_.
7. A professional tax is deductible from salary under section\_\_\_\_\_.
8. In case of Government employees, receiving gratuity, commuted pension is exempt up to\_\_\_\_\_.
9. The maximum rent fixed by the Government under Rent Control Act is called\_\_\_\_\_.
10. Amount paid to approved scientific research association is eligible for \_\_\_\_\_ % deduction.

**(10 x 1 = 10 Marks)**

(1)

**Turn Over**

**Part B**

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

11. Who is an 'Assessee in Default'?
12. What do you mean by 'Profit in lieu of Salary'?
13. How is self occupied is valued?
14. What is 'salary for the purpose' in computing earned leave salary?
15. Write a note on Tea Development Account.
16. In computing income from business what are the provisions relating to the following expenses a) expenses on scientific research b) deduction in respect of preliminary expenses
17. Ramesh showed its block of assets as on 1.4.2016 at a WDV of Rs. 1,00,000. Ramesh purchased another assets within the block during the year 2016-17 for Rs. 40,000. The entire block of assets is sold during the previous year for Rs. 2,00,000. Compute capital gain for the assessment year 2017-18.
18. Explain the how and why incomes are grossed up.
19. Mr. X paid health insurance premium to GIC on his health at R. 1,00,000 and his spouse at Rs.15,000 during the year 2016-17. He also paid health insurance premium of Rs. 35,000 on his father's health who is a senior citizen and not dependant on him. The payments have not been made in cash. Compute the amount of deduction u/s 80D from his GTI.
20. Mr. Vivek transfers his self acquired property yielding an annual income of Rs. 2,00,000 his HUF consisting of Vivek, Mrs. Vivek, his major son Ravi and Minor son Ram. How the income is treated under the IT Act 1961? If the family is partition equally, compute the income of members.

**(8 x 2 = 16 Marks)**

**Part C**

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

21. Write a note of Agricultural income.
22. Mr. X who is a foreigner, comes to India for the first time on June 15, 2011. During the financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 he stays in India for 120 days, 115 days, 15 days, 191 days, 54 days and 80 days respectively. Determine his residential status for the year 2017-18.

(2)

23. Mr. Ram retired from a factory after serving for 30 years and 8 months in June 2016. His monthly wages (including dearness allowance but not excluding all other allowances) on the date immediately preceding the date of retirement was Rs. 20800. He received Rs. 3,72,000 from his employer as gratuity under the Payment of Gratuity Act 1972. Compute the exempted amount of Gratuity.
24. On 1.4.2016 the WDV of a block of assets comprising 10 machines in production department (rate of depreciation 15%) is Rs. 12,50,000. A new machine falling within that block is acquired on 15.12.2016 for Rs 2,00,000. On 24 January 2017 all the 10 machine were sold or Rs. 50,000 leaving only the newly acquired machine in the block. Determine the amount of depreciation.
25. From the following information of a chartered Accountant, compute taxable income from profession for the Assessment Year 2017-18

Receipts	Amount	Payments	Amount
Consultation fees	2,50,000	Office rent	25,000
Gifts from clients	20,000	Stipend to article clerk	20,000
Gift from father-in-law	30,000	Professional books (not annual publication) purchased	12,000
Appellate tribunal appearance	12,000	Charitable donation	4,000
Fees for drafting Memorandum of Association	10,000	Professional tax	2,000

26. In what circumstances are the following items allowed as deduction in computing income from business: a) Repairs b) Insurance Premium c) Interest d) Legal charges?
27. Sri. Anand has the following investments for the Previous Year ended 31.3.2017:
  - a. 10% Rs.30,000 tax free Govt. securities
  - b. 10% Rs. 40,000 Karnataka Govt. loan
  - c. 10% Rs. 36,000 tax free debentures (listed) of a company
  - d. 10% Rs. 20,000 debenture (listed) of a Tea Company
  - e. Rs. 7,200 received as interest on debentures of a company ( not listed)

He paid commission to his bank Rs.500 for collecting the above amounts. Find out his taxable 'income from interest on securities' for the assessment year 2017-18.

28. How will you deal with the set off and carry forward of the following losses:
  - a) speculation losses
  - b) Short term capital loss
  - c) Loss on maintenance of race Horses
  - d) Loss from House Property

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

(3)

**Turn Over**