

Interest @ 10% p.a. on credit balance of recognized provident fund amounted to Rs 10000

City Compensatory Allowance Rs 500 p.m.

Medical Allowance Rs 1200 p.m.

He has been provided with a large car for both personal and official use. Employer bears all the expenses of the car.

He is provided an unfurnished house by the employer in a city (population 12 lakh). The fair rental value of the house is Rs 30000 p.a. Employer charges Rs 500 from him per month as rent.

(2 x 15 = 30 Marks)

16U659

(Pages: 4)

Name:

Reg. No.....

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2019

(Regular/Supplementary/Improvement)

(CUCBCSS - UG)

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

Core Course

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

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

I. Choose the correct answer:

1. Income Tax is -----
(a) A direct Tax (b) An indirect tax (c) A commercial tax (d) A business tax
2. An Indian citizen who is employed in a foreign country must stay in India for atleast ----- days for becoming resident .
(a) 182 (b) 60 (c) 100 (d) 365
3. Which of the following is not an example of perquisite?
(a) Car (b) House (c) Medical facility (d) Bonus
4. The annual value of a self-occupied house is -----
(a) Equal to Muncipal value (b) Equal to fair rent
(c) Equal to standard rent (d) Nil
5. Under Income Tax Act, Depreciation is allowed on -----
(a) Written down Value (b) Cost Price
(c) Purchase price (d) Market Price

II. Fill in the Blanks:

6. Rate of tax on Long term capital gain is -----
7. Income of minor child is exempt upto -----
8. Salary of M.P is taxable under the head -----
9. Short term capital loss can be set off against -----
10. For the Assessment Year 2018-19, a rebate upto ----- is available if the total income does not exceed Rs 3.5 lakhs.

(10 x 1 = 10 Marks)

Part B

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

11. What is meant by TDS?
12. Define Previous Year.
13. With whose income, income of a minor child is clubbed?
14. What is Bond Washing Transactions?
15. Explain the rule of exempted amount of Gratuity paid at the time of retirement when employee is covered under payment of Gratuity Act.
16. What is a Long Term Capital Asset?
17. What is Standard Rent?
18. What is Unabsorbed Depreciation?
19. What is Clubbing of Income?
20. When can an individual be a Not Ordinarily Resident?

(8 x 2 = 16 Marks)

Part C

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

21. Who is a Specified Employee? What are the perquisites taxable for specified employee?
22. What are the different types of securities coming under Income from other sources?
23. List any 5 incomes which are exempt from tax?
24. Sri Arun is getting a pension of Rs 15000 p.m. from a company. During the year, he got his three-fourth of his pension commuted and received Rs 630000. Compute taxable amount of pension if he also received Gratuity on his retirement?
25. Prakash was sponsored by his employer for some training in U.S.A. He left India on 3rd June 2017. He came back to India on 5th April 2018. Determine his residential status for the Assessment year 2018-19?
26. From the following information, calculate Income from House property? Standard rent Rs 16000, Municipal Value Rs 20000, Monthly rent Rs 1700 Municipal tax Rs 400, Vacancy 1 month
27. Compute Income from other Sources:

Directors fees	Rs 6000
Income from agricultural land in Pakistan	Rs 40000
Income from Post Office Savings Bank Account	Rs 1500
Interest on Fixed deposit in SBI	Rs 1800
Winnings from lottery (net)	Rs 35000
Crossword puzzles	Rs 2500
Royalty on books	Rs 20000

(Expenses in this connection Rs 4000)

28. Mr. A provides the following data regarding his transaction for the sale of his residential house for the assessment year 2018-2019. Compute the amount of taxable capital gain for the Assessment year 2018-19.

House purchased in 2002-03 Rs 400000

Sold in November 2017 Rs 6000000

Purchased another house in September 2017 Rs 2000000

The Cost inflation index for 2002-03 is 105 and for 2017-18 is 272

(6 x 4 = 24 Marks)

Part D

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

29. Briefly explain Section 80G
30. Mr. Bhagavandas is a registered medical practitioner. He keeps his books on cash basis and his summarised cash account is as under:

Receipts	Amount	Payments	Amount
Balance b/d	122000	Cost of medicines	10000
Loan from bank for private purposes	3000	Surgical equipment	8000
Sale of medicines	25250	Motor car	120000
Consultation fees	155000	Car expenses	6000
Visiting fees	24000	Salaries	4600
Interest on govt securities	4500	Rent of dispensary	1600
Rent from property (not subject to local taxes)	3600	General expenses	300
		Personal expenses	111800
		Life insurance premium	3000
		Interest on loan from bank	300
		Insurance of property	200
		Balance c/d	71550
Total	337350	Total	337350

Compute Total Income after taking into account the following:

- One third of motor car expenses are in respect of his personal use
- Depreciation allowable on car and surgical equipment is @ 15%.

31. Mr. Gupta is an employee of Textile Company of Indore since 2001. Compute taxable income under the head Salary for the Assessment year 2018-19

Salary Rs 5000 p.m.

D.A Rs 3500 p.m.

Entertainment allowance Rs 1000 p.m.

Employers contribution to Recognized Provident Fund Rs 7400.p.a. His own contribution was Rs 7400.p.a

(3)

Turn over