

30. Compute Income from Salary of Mr Ram for the Assessment Year 2019-20. Salary Rs 15000 p.m., Bonus Rs 6000 p.a, Dearness Allowance Rs 1800 p.a, Entertainment Allowance Rs 6000 p.a, Employers contribution to R.P.F Rs 21000, Employees' contribution to R.P.F Rs 21000, Interest on P.F at 12% Rs 2400, Personal expenses of his son met by employer Rs 1000, Rent free unfurnished house provided by the employer whose annual rental value is Rs 36000(city is in Delhi) Watchman engaged by the employer and total salary paid to him by employer Rs 4800 p.a, Medical expenses of the employee met by employer Rs 600, Free refreshment during office hours Rs 3000, Club bill paid by employer Rs 400, Unit Linked Insurance Plan contribution paid by employer Rs 6000.He was provided with rent free house for a period of 8 months only during 2018-19 after which he shifted to his own house. He continued to enjoy the facility of watchman for his own house also.

31. What are the exemptions of capital gain u/s 54?

(2 x 15 = 30 Marks)

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(Pages: 3)

Name:

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2020

(Regular/Supplementary/Improvement)

(CUCBCSS-UG)

CC17U BC5 B09 – INCOME TAX LAW AND ACCOUNTS

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

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

- 1 The maximum marginal rate is -----
(a) Rs 35% (b) Rs 30% (c) Rs 45% (d) Rs 40%.
- 2 Free meals provided during office hours is exempt upto ----- per meal.
(a) Rs 50 (b) Rs 60 (c) Rs 55 (d) Rs 65
- 3 Municipal tax paid by ----- is deducted from Gross Annual value.
(a) Tenant (b) Individual (c) Owner (d) None of these
- 4 Which of the following is an allowed expense while computing business income?
(a) Income Tax (b) Sales Tax (c) Gift Tax (d) Wealth Tax
- 5 The rate of depreciation on patents is -----
(a) 25% (b) 20% (c) 30% (d) None of these

Fill in the blanks:

6. The year in which income is earned is known as -----
7. Capital gain on depreciable assets is ----- capital gain.
8. The amount of standard deduction available from gross salary is -----
9. Unrealised rent will be allowed as a deduction while computing Income from HP only if conditions of Rule ----- is satisfied.
10. The rate of depreciation on furniture is -----

(10 x 1 = 10 Marks)

Part B

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

11. Define "Person".
12. Who is a Specified Employee?
13. What is Transferred Balance?

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Turn Over

14. What are Block of Assets?
15. What is Maximum Marginal Rate?
16. Give any 4 examples of Fully Taxable Allowances.
17. What is Expected Rent?
18. What is Long Term Capital Asset?
19. Define Annual value.
20. List any 5 disallowed expenses while computing Business Income.

(8 x 2 = 16 Marks)

Part C

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

21. How residential status of an individual is determined?
22. What are the differences between Long term capital gain and Short term capital gain?
23. A retired from service on 31-3-2018 and started getting monthly pension of Rs 30000. On 1-1-2019, A commuted one-fourth of pension and received Rs 700000. Calculate taxable amount of pension for Assessment year 2019-20 if assessee has not received gratuity at the time of retirement?
24. Mr Prasad has furnished the following particulars for the previous year 2018-19. Calculate his Gross Total Income if he is a non-resident?
Salary for 3 months received in India (computed) Rs 9000
Dividend received in Germany from British companies out of which Rs 3000 were remitted to India Rs 22000
Income from business in Pakistan being controlled from India Rs 10000
Interest on Savings Bank Deposits in State Bank of India Rs 1000
Amount brought to India out of past untaxed profit earned in Japan Rs 20000
Income from House Property in India (computed) Rs 3400

25. Shri Sharada Prasad has a House Property let out for residential purposes. The following are the details of the property let out:
Municipal Rental value Rs 8500 p.m., Actual rent realised Rs 9000 p.m., Rent payable under Rent Control Act Rs 8500 p.m., The rent payable for a similar house Rs 9000 p.m. He has paid 15% of the municipal valuation as local taxes and 2% of valuation as education and Health cess. The construction of the property began in Sept 2013 and completed in February 2016. He had borrowed loan for the construction of house property on which he has paid Rs 200000 as interest upto 31-3-2015 and Rs 50000 as interest during the previous year. Fire Insurance premium paid Rs 2000 p.a. Compute Income from House Property?

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26. Sri Sharma sells his only residential house in Mangalore on 24th August 2018 for Rs 5500000 and incurs an expenditure of Rs 100000 in connection with transfer. Cost of acquisition of the house for him in 1998 was Rs 180000 and on 1st April 2001 the fair market value was Rs 800000. On 16th January 2019, he deposited Rs 2000000 in the Capital Gains Account Scheme. Compute taxable capital gains for the Assessment Year 2019-20. The cost inflation Index for 2001-02 was 100 and for 2018-19 is 280.
27. Compute taxable amount of House Rent Allowance of Mr. Ram who resides at Kanpur. Salary per month Rs 18000, H.R.A received per month Rs 2100, Rent paid per month Rs 1500.
28. How is Rent Free Accommodation calculated?

(6 x 4 = 24 Marks)

Part D

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

29. From the P/L Account of Sri Babu, compute Income from business.

Particulars	Amount	Particulars	Amount
To salaries	88000	By Gross profit	380000
To rent	42000	By sundry receipts	20000
To general expenses	20000	By dividends	40000
To Advertisement	25000	By Commission	30000
To Legal expenses	15000	By bad debts recovered (earlier allowed)	10000
To Goods and Service tax	10000	By rent of building let out	44000
To telephone expenses	12000		
To gratuity paid	30000		
To provision for bad debts	30000		
To Income Tax	20000		
To depreciation	38000		
To office expenses	12000		
To municipal taxes of the property let out	10000		
To net profit	172000		
Total	524000	Total	524000

Adjustments

- Legal expenses were found to be incurred for the registration of a business asset.
- 50% of business premises was used for residential purposes.
- General expenses include a donation of Rs 10000
- Advertisement expenses were paid in cash
- Allowable depreciation as per income tax rules Rs 46000

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Turn Over