



K18U 1541

Reg. No. : .....

Name : .....

V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.)  
Examination, November 2018  
(2014 Admn. Onwards)  
(Core Course)

5B13 COM : INCOME TAX LAW & PRACTICE – II

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries  $\frac{1}{2}$  mark.

1. For the purpose of 80C, insurance premium shall not exceed \_\_\_\_\_ of the sum assured.
2. Income belonging to others compulsorily added to the income of an assessee is called
3. Listed securities become long term capital asset when held for more than
4. Cost incurred to the employer over \_\_\_\_\_ per meal is a taxable perquisite.

(4× $\frac{1}{2}$ = 2)

PART – B

Answer **any four** questions, **each** question carries **one** mark.

5. What is H.R.A. ?
6. What is indexation ?
7. What is bond washing transactions ?
8. What is transferred balance ?
9. Define assessment year.
10. What is PAN ?

(4×1= 4)

P.T.O.



## PART – C

Answer **any six** questions, (**not exceeding one page**) **each** question carries **three** marks.

11. What are short term capital assets ?
12. Explain the valuation of Car as a perquisite, owned or hired by employer and its running and maintenance expenses are met or reimbursed by employer.
13. What is casual income ? State its taxation.
14. Compute taxable H.R.A. of Mr. A who is working in Delhi, for the P.Y. 2016 – 17. He receives the following receipts on a monthly basis (Rs.)  
Salary 18,000, Dearness Pay 20%, HRA received 3,500, Rent paid per month 4,000.
15. Mr. Preeth was born in India in 1983. From 2003 to 2013 he was in Canada. From 1<sup>st</sup> April 2013 to 31<sup>st</sup> March he was in India. From 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2016 he was in Australia. On April 2016 he came to India and is staying in India. What will be his residential status in India for the P.Y. 2016 – 17 ?
16. Compute Annual Value of the let out house during the year 2016 – 17 of Mr. Krishan the details if which is given below (Amount in lakhs)
- |                     |     |
|---------------------|-----|
| Annual rent         | 134 |
| Municipal Value     | 120 |
| Fair Rental Value   | 136 |
| Standard rent       | 124 |
| Loss due to vacancy | 2   |
- Municipal tax 5% due but not paid.
17. Mr. Pawan sold the following assets during the financial year 2017 – 18 (amount in Rs.)  
Date of purchase 01-01-1988  
Date of sale 01-11-2017  
Cost of acquisition 2,40,000  
Sales price 18,30,000  
Selling expenses 30,000  
Fair market value on 1-4-1981 N.A.  
Cost of inflation 2017 – 18 – 272, 1987 – 88 – 161, 1981 – 82 – 100.  
Compute taxable capital gain for the P.Y. 2017–18.

(6×3= 18)



## PART – D

Answer **any two** questions, **each** question carries **eight** marks.

18. Which are the income tax authorities in India ? Briefly explain each of them.
19. X, Y and Z are equal partners in a trading firm which does not fulfill the conditions of Sec. 184 (Amount in Rs.)

**P & L A/c for the year ending 31-03-2017**

Trade expenses	3,20,000	Gross Profit	2,75,000
Office expenses	30,000	Interest on Bank deposit	25,000
Rent of premises to Z	10,000	Net Loss :	
Commission to X	20,000	X : 1,00,000	
Interest on capital :		Y : 1,00,000	
X	30,000	Z : 1,00,000	3,00,000
Y	30,000		
Z	30,000		
Salary to B	60,000		
Commission	10,000		
Advertisement Expenses	20,000		
Depreciation	40,000		
	<b>6,00,000</b>		<b>6,00,000</b>

Trade expenses include a payment of 40,000 made in cash. The firm is eligible for depreciation Rs. 50,000. Compute business income of the firm.

20. Mr. Ashok is employed in Chennai in a public limited company on annual package salary of Rs. 10,00,000. The company gives the salary as follows (Amount Rs.)

Basic Salary	7,00,000
Travelling allowance	20,000
Medical allowance	20,000
Special allowance	12,000
House rent allowance	1,20,000
Employees contribution to RPF	60,000
Company contribution to RPF	60,000
Deposit to approved gratuity fund	8,000
<b>Total</b>	<b>10,00,000</b>

Mr. Ashok lives in a rented house paying monthly rent 15,000. During the year 2016 – 17 he paid tax on employment 2,000. Compute income from salary for the assessment year 2017–18.

**(2×8= 16)**