



K16P 1057

Reg. No. :

Name :

Third Semester M.A./M.Sc./M.Com. Degree (Reg./Supple./Imp.)
Examination, November 2016
COMMERCE
COM 3C13 : Income Tax Law and Practice
(2014 Admission Onwards)

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any 4** questions. **Each** carries **1** mark for part (a), **3** marks for part (b), and **5** marks for part (c).

1. a) Who is a non-resident ?
b) What are the allowances which are fully exempted ?
c) Mr. A a bank manager, gets ₹ 18,000 p.m. as salary and D.A. at 10% of the salary. He is getting entertainment allowance of ₹ 8,000 p.a. During the previous year ended 31-3-2014, he received a bonus of 3 months salary. He is also provided with a rent free house (unfurnished) in a town (whose population is less than 4 lakhs) whose fair rent is ₹ 5,000 p.m. Find out his income under the head salaries for the A.Y. 2013-14.
2. a) What is unabsorbed depreciation ?
b) What is the order of set off if there is brought forward business loss and unabsorbed depreciation ?
c) From the following information of Mrs. Maya compute the gross total income for the A.Y. 2014-15.

1) Income from house property	1,50,000
2) Business loss	60,000
3) Current year's depreciation	10,000
4) Business loss of preceding year	50,000
5) Unabsorbed depreciation of preceding year	30,000
6) Short term Capital loss	40,000
7) Long term Capital loss	50,000
3. a) What do you mean by Capital asset for tax purpose ?
b) What are the assets not considered for computing tax under the head 'Capital Gain' ?

P.T.O.



- c) Mr. Bindhu purchased 1000 equity shares of 'X' Ltd. at the rate of ₹ 45 per share on 1.04.2012, paying brokerage ₹ 1,000. She sold the shares on 30.03.2013 at the rate of ₹ 60 per share and paid brokerage of ₹ 2,000 for the same. She also paid securities transaction tax. Compute tax on capital gain and tax payable.

What will be the position if she sells the shares on 1.4.2013 instead of 31.03.2013 ?

4. a) Distinguish between 'assessee' and deemed and deemed assessee.
 b) What is accelerated assessment ? Give any three examples.
 c) Mr. A's particulars of income for the previous year 2013-14 and 2014-15 are as under :

	P.Y.	
	2013-14	2014-15
	₹	₹
Business Profit (Before depreciation)	35,000	50,000
Current depreciation	25,000	30,000
Taxable income from House property	10,000	30,000

Find out the total income of Mr. A for the A.Y's 2013-14 and 2014-15.

5. a) What is negative Annual value ?
 b) What are the deduction allowed from the annual value ?
 c) Mr. 'X' is the owner of a house at Agra, particulars in respect of which for the year ended 31.3.2014 are as below :

1) Actual rent received	4,500
2) Municipal valuation	4,200
3) Total Municipal tax	630
4) Municipal tax paid by Mr. 'X'	420
5) Municipal tax paid by the tenant	210
6) Interest on loan taken to renew the house	150
7) Unrealized rent allowed in the A.Y. 2010-11 recovered during the year	2,000

Compute Mr. 'X's income from House property for the A.Y. 2014-15.

6. a) What is 'Income' under Income Tax Act ?
 b) What are the different types of residents ?
 c) Mr. Prasad has furnished the following particulars for the previous year 2014-15. Calculate his total income, if he is non-resident.

	₹
1) Salary for 3 months received in India	9,000
2) Dividend received in Germany from British companies out of which ₹ 3,000 remitted to India	22,000



3) Income from business in Pakistan being controlled from India	10,000
4) Interest on SB deposit in SBI	1,000
5) Amount brought to India out of part untaxed profit earned in Japan	20,000
6) Income from house property in India (computed)	3,400

SECTION – B

Answer **any two** questions. **Each** carries 12 marks.

(2×12=24)

7. a) From the following particulars of Mr. Satees calculate his taxable income for the A.Y. 2014-15.

Salary	1,29,000
Business income	4,70,000
Royalty on books for colleges	30,000
Rent from House property	20,000
Dividend income	15,200
Bank interest	8,800
Income of a minor son	15,000
Long term capital gains	30,000
Contribution to PPF	30,000
LIC premium paid	10,000
Health insurance premium paid by cheque	8,000
Donation to National Defence Fund	5,000

OR

- b) Mr. Gopalan's particulars of income are as under during the previous year 2014-15.

a) Taxable income from salary	1,38,000
b) Taxable income from house property	
i) Income from House A	38,000
ii) Income from House B	16,000
iii) Income from House C	14,500
c) Business income	
i) Profit from Business	97,000
ii) Current year depreciation	16,500
iii) Previous trade loss	4,500
iv) Speculation profit	4,000



d) Capital Gain	
i) Short term Capital profit	16,000
ii) Long term capital profit	5,200
iii) Long term Capital loss	-12,500

Compute Gross Total Income after set off of loss. Loss from house property b/f for the A/Y 2014-15 ₹ 9,000.

8. a) Profit and Loss A/c of a trader shows net profit of ₹ 38,000 after debiting following item. Find out income from business for the A.Y. 2014-15.
- 1) Payment of income tax ₹ 7,000 and income tax proceeding expenses ₹ 11,000.
 - 2) Interest on loan taken for payment of income tax ₹ 1,000.
 - 3) Sales tax ₹ 1,800 and penalty ₹ 4,000 for delay in payment of sales tax.
 - 4) Cash payment to a creditor ₹ 28,000.
 - 5) Municipal tax ₹ 1,800 1/3 portion of the house is used for business and half portion is used for self residence and remaining portion is let out.
 - 6) Income of ₹ 750 accrued during the previous year is not recorded in P&L a/c.
- Aforesaid net profit includes ₹ 3,000 for recovery of old bad debts which were disallowed by Income Tax Officer in past.

OR

- b) Below are the particulars of Income of Shri Mohanlal for the A.Y. 2014-15.
- | | |
|--|----------|
| a) Rent received from House property | 28,000 |
| b) Profit from cloth business | 1,75,000 |
| c) Share of profit from a firm of Ram, Mohan and Sohan | 52,000 |
| d) Speculation profit | 13,000 |
| e) Short term capital gain | 4,000 |
| f) Long term capital gain | 2,000 |

The following losses have been carried forward from previous year.

i) Loss from cloth business	24,000
ii) Speculation loss (This speculation has been closed)	15,000
iii) Losses under the head Capital Gain	
Short term	7,000
Long Term	1,300

Compute the Gross Total Income and the amount of loss to be carried forward.