

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com.DEGREE EXAMINATION –CORPORATE SECRETARYSHIP

FIFTH SEMESTER – APRIL 2018

BC 5508– INCOME TAX, LAW AND PRACTICE

Date: 10-05-2018
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART – A

Answer ALL the questions:

(10 x 2 = 20 marks)

1. What is assessment year?
2. Define person.
3. What is Gross Total Income?
4. Mr. X resides in Chennai and gets Rs. 10,000 p.m as basic salary, Rs. 8,000 p.m as D.A (entering service benefits). Rs. 12,000 p.m as HRA. He pays Rs. 10,000 p.m as rent. Calculate taxable HRA.
5. Mr. Y owns a small car which he uses both for his official duties as well as for private purposes. During the previous year he spent Rs. 90,000 on the running and maintenance of the car including driver. Find out the taxable value of perk of car.

6.

	Rs.
MRV	30,000
FRV	36,000
Standard Rent	33,000

Calculate the expected rental value.

7. Calculate ARV from the particulars give below:

MRV	Rs.60000p.a	Actual Rent	Rs.7000 p.m
FRV	Rs.66000 p.a.	Standard Rent	Rs.69000 p.a.

House was vacant for full year during the previous year 2015-16

8. What is depreciation?
9. Define the term Capital Gain.
10. Miss.Kaviya sells the debentures in the year 2016-17 the details are as under(1) Sale Consideration Rs.900000 year of acquisition 2015-16. Cost of Acquisition Rs.450000. Calculate capital gains.

PART – B

Answer any FOUR questions:

(4 x 10 = 40 marks)

11. Give the features of salary?
12. From the following details, calculate the maximum house rent allowance for Mr.X, who is living in Chennai. Basic salary Rs. 78,000, Dearness allowance forming part of salary Rs. 7,800, House rent allowance Rs. 11,700, Rent paid Rs. 13,200.
13. Compute the annual rental value for the previous year 2016-17 from the particulars given below:

	Rs.
Municipal Rental Value	70,000
Fair Rental Value	82,000
Standard Rent	75,000
Real Rent	8,000 p.m.
Unrealised Rent	5,000
Date of Completion	31.06.2016
Date of letting	1.9.2016

14. Mr. Y purchased a piece of land on 4.1.1978 for Rs.50,000. The land was sold by him during the previous year 2016-17 for Rs.6,00,000. The fair market value as on 1.4.1981 was Rs.1,20,000.

Expenses on transfer were 2% on sale price. Compute taxable capital gain for the previous year 2016-17. CII-1981-81:100; 2012-13:852. CII for P.Y. 2016-17 is 1125

15. From the following profit and loss account for merchant for the year ended 31st March 2017. Ascertain his taxable profit from business.

Profit and Loss account

	Rs.		Rs.
Office salary	4,800	Gross profit	1,35,532
General expenses	2,550	Commission	1,205
Bad debts written off	2,100	Discount	751
Fire insurance premium	450	Sundry Receipts	202
Advertisement	2,500	Rent of building	52,640

Interest on capital	1,000	Capital gain	3,000
Interest on bank loan	1,550		
Donation	3,875		
Depreciation	4,200		
Net profit	1,70,305		
	1,93,330		1,93,330

The amount of depreciation allowable is Rs. 1,000.

16. Write any five General incomes under the head income from other sources.

17. Calculate deductions U/s 80 C

(a) Contribution to RPF Rs.15,000.

(b) Contribution towards NSC – VII issue Rs.11,000.

(c) Insurance premium on own life Rs.25,000 (Sum assured Rs.1,00,000).

(d) Insurance premium on life of his wife Rs.2,500 (Sum assured Rs.45,000).

PART – C

Answer any TWO questions:

(2 x 20 = 40 marks)

18. Mr. Z gets salary of Rs. 13,000 p.m and he has been provided with rent free furnished accommodation at Karnal (population 7.5 lakhs). The fair rental value of the unfurnished house is Rs. 20,000 p.a. He gets D.A @ 40% of salary which is given as per terms of employment. He gets education allowance of Rs. 300 p.m for education of his son. The cost of furnishing of the house is Rs. 30,000. The employee has been provided with hired air conditioner for five months and hire charges of Rs. 1,000 p.m are paid by the employee. Compute the gross salary.

19. Mr. B owns a house property at Cochin. It consists of 3 independent equal units and information about

the property is given below:

Unit 1: Own house

Unit 2: Let out

Unit 3: Own business

MRV 1,20,000p.a

FRV 1,32,000p.a

Standard Rent 1,08,000p.a

Rent 3,500 p.m

Unrealized rent for three months

Repairs 10,000

Insurance 2,000

Interest on money borrowed for Purchase of property 96,000

Municipal taxes 14,400

Date of completion 1.11.2009

Compute income from house property.

20. Profit and Loss account of Mr. Saran is as follows:

	Rs.		Rs.
Salary	50,000	Gross profit	2,00,000
Income Tax	9,000	Dividend	20,000
Entertainment expenses			
(for business)	20,000		
Bad debts	1,000		
Net profit	1,40,000		
	2,20,000		2,20,000

Salary includes Mr.Saran's salary of Rs.30, 000. Compute the business income.

21. Enumerate any four savings that qualify deduction under Section 80C.
