



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIFTH SEMESTER – NOVEMBER 2017

BC 5508 – INCOME TAX, LAW AND PRACTICE

Date: 08-11-2017

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

Answer ALL the questions:

(10 x 2 = 20 marks)

1. What is the “Assessment year”?
2. What are provident funds?
3. Define Annual Value.
4. Define – Business
5. What are the rates of deduction u/s 80E?
6. Mr. Rajan left for Singapore on 15th March 2012 after staying in India for 15 years. He came back on 31st August 2016. Determine his residential status for the Assessment year 2017 -18.
7. Compute the basic salary of Mr. Rajesh for the assessment year 2015 -16, from the following information:.

	Rs.
Salary received	18,000
Tax deducted at source	2,000
Own contribution to provident fund	3000

8. Find out the gross annual value from the following details pertaining to a house property which is let out for residence.

	Rs.
Municipal value	1,60,000
Fair rent	1,61,000
Standard Rent under Rent Control Act	1,75,000
Actual Rent received	1,90,000

9. Find out inflated cost for the assessment year 2017-18. Cost of house purchased in 1979-80 for Rs.90,000. Fair Market Value on 1.4.81 being Rs.1,50,000. CII 2016-2017:1125, 1981-1982:100.

10. Mr. X submitted the following particulars of his income and loss for the assessment year 2017-18.

	Rs.
(a) Income from house property	8,000
(b) Profits and gains of personal business	25,000
(c) Share of profits from AOP (AOP has paid tax)	10,000
(d) Short term capital gains	8,000
(e) Long term capital gains on buildings	17,000
(f) Long term capital loss on shares	24,000

The following items have been brought forward from the assessment year 2015-16. Business loss 30,000; House property loss 10,000. Compute gross total income.

PART – B

Answer any FOUR questions:

(4 x 10 = 40 marks)

- 10.
11. What are perquisites? Explain any five perquisites that are taxable.
12. Explain any ten income which are totally except from Income Tax.
13. Explain the incidence of Tax liability.
14. Mr. Y is employed at Hyderabad with a salary of Rs.30,000 p.m. The employer is paying HRA of 3,500 p.m. but the actual rent paid by him (employee) is Rs.5,000 p.m. He is also getting 2 % commission on turnover achieved by him and turnover is Rs.15,00,000. Calculate his taxable HRA.
15. Compute the income from house property from information given below:

	Rs.
Municipal rental value	18,000
Rent received during the year	24,000
Municipal taxes (50% paid by tenant)	1,800 per month

Expenses incurred on repairs:

(a) By owner	3,000
(b) By tenant	3,000
Collection charges	1,000
Starting Date of completion of house	1.6.1997

16. A firm's stock of goods valued on 1.4.2016 and 31.3.2017 at Rs.2,50,000 and Rs.3,00,000 at 20% below cost. Calculate the amount of under valuation of stocks.
17. In June 1987, Janaki received a gift of a Necklace valued at Rs.80,000 from her father in law who had purchased it in 1978 for Rs.15,000. Fair market Value of the Necklace on 1.4.1981 was Rs.30,000 and Janaki sold the Necklace in August 2016 for Rs.6,00,000. Compute the taxable capital gain. CII for 1981-82 is 100; 1987-88 is 150 and 2016-17 is 1125.

PART – C

Answer any TWO questions:

(2 x 20 = 40 marks)

18. Write a brief note on qualifying amount for deduction U/S 80C.
19. The following are the particulars of salary income of Mr. Ravi, who is employed at Kanpur.
- Salary Rs.12,000 p.m.
- D.A. 40% of salary.
- Compensation received for termination of employment under Industrial Disputes Act from previous employer Rs.36,000.
- City compensatory allowance Rs.400 p.m.
- House rent allowance Rs.4000 p.m. and he pays rent of Rs.5000 p.m.
- He is contributing Rs.1500 p.m. towards recognised provident fund. The employer is also contributing the same amount.
- During the year he paid Rs.1,200 professional tax. He owns a small car which he is using for official and personal use. Calculate his taxable income.

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. From the following compute income from other sources for the Assessment Year 2016-17.

- (a) Interest (gross) on investments with a company 20,000
- (b) University remuneration for working as an examiner 16,000
- (c) Royalty for writing books 1,60,000
- (d) Expenses on writing these books 40,000
- (e) Dividend received from a domestic company 12,000
- (f) Interim dividend 12,000
- (g) Family Pension 48,000
