LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – **CORPORATE SECRETARYSHIP**

FIFTH SEMESTER – **NOVEMBER 2019**

BC 5508 – INCOME TAX, LAW AND PRACTICE

Date: 02-11-2019   Dept. No.   Max. : 100 Marks
Time: 09:00-12:00

Section – A

Answer ALL the questions (10X2=20)

1) Define tax.

2) Write a short note on assessee.

3) What are allowances.

4) Brief a note on perquisites.

5) Define GAV.

6) State any four admissible expenses.

7) List out the assets which are not included in capital assets.

8) Give the examples of income from other sources.

9) Define gross total income.

10) What is casual income.

Section – B

Answer any FOUR questions (4X10=40)

11) Enumerate individual assessee's residential status as per section 6.

12) Mr. J an Indian citizen, goes aboard on 1-4-2011 for the first time. He returns to india on 15-2-2018. During the previous year 2018-2019 he was in india only for 185 days. Find his residential status for the assessment year 2019-20.

13) Calculate the amount of RPF which is taxable.

   a) Salary Rs.5000 pm

   b) DA Rs.1000 pm (forming part)

   c) 10% commission on turnover (turnover achieved Rs.60,000)

   d) Fixed commission Rs.300 pm

   He and his employer contribute Rs.2000 pm each to RPF. Interest credited to PF at 10% is Rs. 20,000.

14) Mrs. Devi has occupied three houses for her residential purposes, particulars of which are as follows:

Particulars	House I	House II	House III
Standard rent	35,000	-	45,000
Municipal valuation	40,000	50,000	28,000
Fair rent value	45,000	60,000	35,000

Find the gross annual value of the house property for AY 2019-20

15) Find out taxable capital gain for the A.Y. 2019-20

   i)   House purchased during 2005-06 (117) Rs. 3,48,000.

   ii)   House sold during 2018-19 (280) Rs. 60,00,000

   iii) New house purchased in January 2019 Rs. 3,00,000

16) From the following information of a trader, compute the gross total income;

Particulars	Rs
i) Income from house property (computed)	- 1,50,000
ii) Business loss	- 60,000
iii) Current year depreciation	- 10,000
iv) Business loss of preceding year	- 50,000
v) Unabsorbed depreciation of preceding year	– 30,000
vi) Short term capital loss	- 40,000
vii) Long term capital gain	- 50,000

17) Explain in detail about income from other sources.

Section – C

Answer any TWO questions   (2X20=40)

18) From the following, calculate income from salary of Mr. R who is working in LMN ltd, Chennai :

   i)   Basic salary Rs. 50,000 pm

   ii)   DA Rs. 30,000 pm.

   iii) Bonus Rs.1,00,000

   iv)   CCA Rs. 1,500 pm

   v)   Entertainment allowance Rs.6,000 pm

   vi)   Education allowance Rs.8000 pm (for his two children)

   vii) Hostel allowance Rs. 10,000 pm (for his two children)

   viii) Academic research allowance Rs. 25,000 (cost Rs.50,000)

   ix)   HRA – Rs. 20,000 pm (rent paid Rs.12,000 pm)

   x)   Conveyance allowance for official purpose Rs.3,000 pm

         Assume DA as forming part of salary.

19) Mr. K has occupied three houses for his residential purposes particulars of which are as follows:

Particulars	House I	House II	House III
Standard rent	15,000	20,000	-
Municipal valuation	10,000	30,000	30,000
Fair rent value	18,000	18,000	35,000
Municipal taxes paid	1,200	2,400	3,600
Repairs	-	-	200
Insurance premium	1,200	1,300	1,600

Mr. K borrows Rs.30,000 at 20% p.a. for construction of house III, (date of borrowing- June 1 2009, date of

repayment May 10, 2019). Determine taxable income.

20) Mr. Kannan submits the following information about the sale of assets during the previous year 2018- 2019 (280)

Particulars	Plot	Jewels	Diamonds
Date of acquisition	1.10.1970	1.4.2005	1.8.2009
Cost of acquisition	1,00,000	1,50,000	50,000
FMV on 1.4.2001	1,50,000	-	-
C I I	100	117	148
Date of sale	18.10.18	15.2.19	1.3.19
Sales consideration	20,00,000	8,00,000	4,00,000

Mr. Kannan, purchased residential house on 4.12.2018 for Rs. 28,00,000. Calculate the capital gain.

21) Describe various deductions from Gross Total Income.

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