

D 50022

(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*This part consists of **two** bunches of questions carrying equal mark 1.**Each bunch consists of **five** objective type questions.**Answer **all** questions.*

(A) Fill in the Blanks :

- 1 Income from a farm house is _____ income.
- 2 Standard deduction from salary income is _____.
- 3 The annual value of a self occupied house will be _____.
- 4 Audit is compulsory if the total receipts from profession exceeds _____.
- 5 Rate of tax on long term capital gain is _____.

(B) Choose the correct answer from the bracket :

- 6 Income Tax act was passed in the year _____.
 - a) 1961.
 - b) 1962.
 - c) 1965.
 - d) 1985.
- 7 Entertainment allowance is deductible in the case of :
 - a) All employees.
 - b) Government employees.
 - c) Private employees.
 - d) None of these.
- 8 Interest for pre-construction period is deductible in _____.
 - a) Five years.
 - b) Three years.
 - c) Two years.
 - d) One year.

Turn over

- 9 The following is an expense allowed :
- a) Provision for income tax.
 - b) Provision for gratuity.
 - c) Sales tax paid.
 - d) Wealth tax paid.
- 10 Sale of depreciable assets will have :
- a) Long term capital gain.
 - b) Short term capital gain.
 - c) Long term or short term capital gain.
 - d) None of these.

(10 × 1 = 10 marks)

Part B

*Answer any **eight** questions in one or two sentences each.
Each question carries 2 marks.*

- 11 What is meant by assessment year ?
- 12 What is PPF ?
- 13 Who is an Assessee ?
- 14 Who is a specified employee ?
- 15 What is capital asset ?
- 16 What is composite rent ?
- 17 Explain block of assets ?
- 18 What is co-owners under income from house property ?
- 19 Explain the meaning of business as per income tax act ?
- 20 What is transfer of capital asset ?

(8 × 2 = 16 marks)

Part C

*Answer any **six** questions.
Each question carries 4 marks.*

- 21 What is meant by exempted income ? Write any *six* incomes which are treated as exempted.
- 22 Mr. Aron a Canadian citizen came to India for the first time on 12th February 2019. He stayed in India up to 18th January 2021 and went back to Canada. Determine his residential status for the previous year 2020-21.

- 23 Compare the provisions regarding tax treatment of gratuity, if gratuity act is applicable and not applicable ?
- 24 Written down value of furniture on 1.4.2020 is Rs. 1,30,000. Furniture purchased on 1.08.2020 is Rs. 70,000. Furniture purchased on 8.01.2021 is Rs. 40,000. Compute depreciation on furniture for the assessment year 2021-22 ?
- 25 Explain unrealised rent as per rule 4?
- 26 Distinguished between long-term capital gain and short-term capital gain ?
- 27 How will you calculate income from profession?
- 28 Mr. Regu owns a residential house which he acquired in July 2011 for Rs. 4,30,000. He sold the house in January 2021 for rupees 35,70,000 and acquired a house in July 2021 at a cost of rupees 25,00,000 and deposited Rs. 2,00,000 in a capital gains accounts scheme, compute taxable capital gain if CII of 2011 -12 is 184.

(6 × 4 = 24 marks)

Part D

*Answer any two questions.
Each question carries 15 marks.*

- 29 What is meant by allowances ? Explain the various types of allowances ?
- 30 The following are the details of Mrs Rakhi who owns three houses. Compute income from house property :

| | A | B | C |
|----------------------|----------|---------|---------------|
| Nature of occupation | let out | let out | self occupied |
| Municipal Value | 80,000 | 15,000 | 26,000 |
| Fair rent | 78,000 | 16,000 | 28,000 |
| Monthly rent | 7,000 | 1,500 | — |
| Municipal tax | 3,000 | 800 | 10,000 |
| Interest on loan | 12,000 | — | 15,000 |
| Vacancy | 2 months | — | — |

Turn over

- 31 The following are the particulars of Mr Anish an employee in a company in Bhopal (population exceeds 25 lakhs). He is drawing rupees 40,000 per month as salary and dearness allowance @ 20 % of his salary. He is also getting City compensatory allowance of rupees 4,000, medical allowance of rupees 6,000, bonus Rs. 16,000 and commission rupees 4,000. He is provided with a rent free unfurnished house owned by the employer of the fair rental value of rupees 60,000 per annum. He is provided free of charge a sweeper and a cook whose wages are Rs. 300 and Rs. 700 pm respectively and a gardener whose wages are Rs. 250 p.m. He is also given free electricity for personal use for which the employer has paid rupees 6,000 during the year to electric supply company, compute his taxable salary for the assessment year 2021-22.

(2 × 15 = 30 marks)

D 30022

(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2022**

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*This part consists of two bunches of questions each carries 1 mark.**Each bunch consists of five objective type questions.**Answer **all** questions.*

(A) Choose the correct answer :

- 1 Pre-construction period interest is deductible in _____ ?
 - (a) Three equal instalments.
 - (b) Five equal instalments.
 - (c) Ten equal instalments.
 - (d) Fully in a year.
- 2 A person satisfying none of the basic conditions is called :
 - (a) Resident and ordinarily resident.
 - (b) Non-resident.
 - (c) Resident but not ordinarily resident.
 - (d) Cannot say.
- 3 The year in which total income and tax liability of a person is computed is called :
 - (a) Previous year.
 - (b) Current year.
 - (c) Assessment year.
 - (d) Financial year.
- 4 Which of the following is not a capital asset ?
 - (a) Motor car for personal use.
 - (b) Jewellery.
 - (c) Shares.
 - (d) Bullion.

Turn over

- 5 The rent fixed under Rent Control Act is :
- (a) Expected rent. (b) Standard rent.
(c) Municipal Rent. (d) None of these.

(B) Fill in the blanks :

- 6 Gross Total income as reduced by _____ is called Total income.
7 Interest on own contribution to the unrecognised provident fund is taxable under the head _____.
8 Gift in cash upto Rs. _____ is not taxable.
9 The standard deduction available under Section 16 (i) _____.
10 Profits on transfer of capital asset is assessed under the head _____.

(10 × 1 = 10 marks)

Part B

*Answer any eight questions in one or two sentences each.
Each question carries 2 marks.*

- 11 Who is an assessee in default ?
12 What do you mean by capital assets ?
13 What is standard deduction under house property income ?
14 What is maximum marginal rate ?
15 Define Person.
16 Define agricultural Income.
17 Define previous year.
18 Which are deductions allowable from gross salary ?
19 What is Converted property ? Who is liable to pay tax on income from converted property ?
20 Explain Sec. 54 of Income Tax Act.

(8 × 2 = 16 marks)

Part C

*Answer any six questions.
Each question carries 4 marks.*

- 21 Point out any 8 incomes under the head Income from other sources.
22 Define capital gain. What are the transactions that are regarded as transfer ?
23 What is the deduction for commutation of pension in case of Non-Government, employees who receive gratuity ?

- 24 Mr. Basith, a citizen of Indian origin employed in London. Since 1990 comes to India on 30.06.2014. He remained in India for three years and went to USA on 1.07.2017. He returned to India on 1.04.2018 and went back to USA on 31.07.2019. Again he returned to India on 1.01.2020 securing transfer from USA to the Delhi branch of the Company. Determine his residential status for the previous year 2020-21 ?
- 25 Mr. Manohar is appointed at Mumbai. He stayed in a hotel for 50 days and thereafter shifted in a house provided by the employer, From the following information determine the taxable value of perquisite, stay in hotel:
- (a) Room rent in hotel Rs.2000 per day.
 - (b) Salary for valuation of accommodation during the previous year Rs. 7,30,000.
 - (c) The employer recovered Rs.200 per day from Mr. Manohar regarding stay in hotel.
- 26 Mr. X purchases a property in the financial year 2005-06 at Rs. 50 lakh and sold the same in 2020-21 for 2 Crore. Compute capital gain, if the selling commission was 6,00,000. What will be the result if the property sold was purchased in 2019-20 ?
- Cost inflation index for financial year 2020-21 -201, 2005-06-117.
- 27 Mention four gifts exempt from tax
- 28 What are the items included under the term income ?

(6 × 4 = 24 marks)

Part D

*Answer any two questions.
Each question carries 15 marks.*

- 29 What are exempted incomes ? Explain any 15 of them.
- 30 Mr. Sathyan is employed in a Company in Bhopal. The following information is given to you regarding his income during the year 2020-21. Compute salary taxable for the year 2020-21.
- Basic Salary Rs. 40,000 per month.
- Dearness allowance 30 % of salary (Half of the DA includible for retirement benefits).
- Bonus equal to one month salary
- Children's marriage allowance Rs. 1,000 per month.
- Education allowance for two children Rs. 250 per month per child.
- Hostel allowance for two children Rs. 400 per month per child Entertainment allowance Rs. 500 per month.

Turn over

Medical allowance Rs. 1,500 per month.

House rent allowance 10 % of basis salary per month (Rent paid by him Rs. 8,000 per month)

Mr. Sathyan and the company contribute 20 % of salary to a provident fund which yet to be recognised by the commissioner of Income tax.

Medical insurance premium Rs. 15,000 paid by Mr. Sathyan was reimbursed by the company.

Tax on employment deducted from his salary during the year Rs. 2,000.

During the year 2019-20 he had received two months' salary advance pertaining to the year 2020-21.

31 Dr. Ganesh is a professor in a college and he submits before you the following details of his income during the year 31.3.2021 :

- (1) Royalty income from books published Rs. 2,00,000. He claims the following deductions from this amount :
 - (a) Salary to a clerk who assisted him in the works associated with the book Rs. 60,000.
 - (b) Purchased books (Annual publications) worth Rs. 5,000 in connection with the preparation of the books.
 - (c) Telephone expenses Rs. 12,000 attributed to the publication of the book.
- (2) Income from articles published in journals Rs. 25,000.
- (3) He received Rs. 2,500 per lecture delivered at various colleges. During the year he delivered 8 such lectures (Car expenses incurred for lectures Rs. 8,000).
- (4) Examinership fee Rs. 15,000.
- (5) Winning from card games and betting Rs. 6,500, winning from chess Rs. 5,000.
- (6) During the year he received interest on U.S Government bonds Rs. 5,000, interest on debentures from a limited company not listed Rs. 18,000 and dividend from a listed company engaged in tea manufacturing Rs. 40,000 (60 % of the income of the company is agricultural)
- (7) He has fixed deposit of Rs. 1,00,000 carrying 8% interest, with Allahabad bank.

Compute income from other sources for the assessment year 2021-22.

(2 × 15 = 30 marks)

D 10025

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS-UG)

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

*This part consists of two bunches of questions, each carries 1 mark.
Each bunch consists of five objective type questions.*

Answer all questions.

A. Choose the correct answer :

1. Deduction under Sec. 16(ii) is _____.
 - (a) Standard Deviation.
 - (b) Tax on Employment.
 - (c) Entertainment Allowance.
 - (d) Dearness Allowance.
2. Interest on _____ securities is always grossed up.
 - (a) Tax free commercial.
 - (b) Less tax commercial.
 - (c) Government.
 - (d) Tax free Government.
3. Office buildings are eligible for depreciation at the rate of _____.
 - (a) 10 %.
 - (b) 15 %.
 - (c) 20 %.
 - (d) 5 %.
4. The Income Tax Act, 1961 defines term 'Previous Year as per _____.
 - (a) Sec. 2(24).
 - (b) Sec. 2(30).
 - (c) Sec. 2(31).
 - (d) Sec. 3.
5. The total amount spent for acquiring an asset is called _____.
 - (a) Indexed cost of acquisition.
 - (b) Cost of acquisition.
 - (c) Cost of improvement.
 - (d) None of these.

B. Fill in the blanks :

6. Income from buying and selling of house property is chargeable under the head _____.
7. Winning from lottery will be taxed at _____ % rate.
8. The dividend received from Indian Companies is _____.

Turn over

9. The total of the income before deduction under Chapter VIA of the Income Tax is called _____.
10. Death-cum retirement gratuity received by all categories of Government Employees is fully _____.

(10 × 1 = 10 marks)

Part B

*Answer any **eight** questions in **one** or **two** sentences each.
Each question carries 2 marks.*

11. Define Transfer.
12. How expected rent is calculated under income from house property ?
13. State the provisions of Income Tax Act regarding taxation of entertainment allowance.
14. What do you mean by Encashment of Earned leave ?
15. How is exemption of amount received on VRS determined ?
16. Define Dividend.
17. Name two incomes that are totally exempt from tax.
18. What is Cost Inflation Index ?
19. What do you mean by standard rent ?
20. What is Casual Income ?

(8 × 2 = 16 marks)

Part C

*Answer any **six** questions.
Each question carries 4 marks.*

21. Explain any four deductions allowable under Section 54, while computing capital gain.
22. Ram, an Indian citizen, leaves India to USA for a job on 21.9.20. What will be his residential status for the Assessment Year 2021-22 if he has never left India earlier ?
23. Explain the taxation of House Rent Allowance.
24. How will the residential status of an individual be determined for tax purpose ?
25. Define following as per Income Tax Act :
 - (a) Salaries.
 - (b) Perquisites.
 - (c) Profit in lieu of salary.

26. The following information related to the income of Mr. Naveen during the year 2020-21 :
- | | | |
|--|-----|-----------|
| (a) Agricultural income from Nicobar Islands | ... | 50,000 |
| (b) Amount received from sub-letting half of his rented residential house | ... | 10,000 |
| (Municipal taxes paid for the house Rs.2,000). | | |
| (c) Dividend from an Indian Company engaged in agricultural activities | ... | 11,40,000 |
| (d) Dividend from an Indian Company engaged in non-agricultural activities | ... | 60,000 |
| (e) Dividend from a foreign company | ... | 2,00,000 |
| (f) Income from consultancy services | ... | 1,00,000 |
| (g) Income from a stone quarry in Maharashtra | ... | 1,50,000 |
| (expenses in connection with stone extraction Rs.1,10,000) | | |
| (h) Agricultural income from Sri Lanka | ... | 1,00,000 |

Compute taxable income under the head 'income from other sources' for the year ended 31st March 2021.

27. Mr. Deeru purchased a building in June 2002 for Rs. 5,00,000. During March 2012 he spent Rs. 7,00,000 for additions to the building and the same in February 2021 for Rs.60,00,000. Selling expenses Rs. 50,000. Find out the taxable capital gains :

Cost inflation index : 2002-03—105, 2011-12—184, 2020-21—301.

28. Define Income.

(6 × 4 = 24 marks)

Part D

*Answer any two questions.
Each question carries 15 marks.*

29. What are tax free perquisites ?

30. From the following particulars compute the Business Income of Mr. Sathyan :

| <i>Particulars</i> | Rs. | <i>Particulars</i> | Rs. |
|------------------------|------------|-------------------------|--------------|
| Salaries | ... 90,000 | Gross profit | ... 4,50,000 |
| Rent | ... 20,000 | Dividend | ... 4,000 |
| Service charges | ... 4,000 | Bad debts recovered | |
| Legal Expenses | ... 5,000 | (allowed earlier) | ... 4,400 |
| Reserve for income tax | ... 6,000 | Interest on Post Office | |
| Depreciation | ... 12,000 | Savings Bank | ... 1,200 |

Turn over

| | | |
|----------------------------|-----------------|-----------------|
| Expenses on acquisition of | | |
| Patents Rights | ... 56,000 | |
| Office Expenses | ... 42,000 | |
| Contribution to RPF | ... 12,000 | |
| Bad debts | ... 4,500 | |
| Donation by Cheque | ... 2,500 | |
| Net Profit | ... 2,05,600 | |
| | <u>4,59,600</u> | <u>4,59,600</u> |

Other information :

- Legal expenses include Rs. 2,000 incurred by the assessee for defunding a criminal case against him.
- Depreciation of the year on the assets other than patent right is Rs. 16,900.
- Contribution to RPF includes Rs. 2,000 not paid till the due date of filing the return of income.

31. Mr. Hakeem gives the following relating to his income from salary for the year 2020-21 :

Basic salary Rs. 30,000 per month.

Dearness Allowance Rs. 5,000 per month

Bonus Rs. 25,000 per month

Rent free house in Lucknow (Population more than 25 lakh) with furniture costing Rs. 60,000.

Entertainment allowance Rs. 2,000 per month.

Helper allowance Rs. 1,500 per month (fully spent for the purpose)

Mr. Hakeem contributes 15 % of salary to RPF to which the employer contributes equal amount. Interest is credited RPF annually at the rate of 9.5 %.

He has permission to use the company car (1.8 litre for both official and private purposes, expenses of the car (including driver) are met by the company.

During the year Mr. Hakeem along with family had a leave tour to Shillong and the company met the entire expenditure which amounted to Rs. 35,000.

Compute taxable income from salary assuming that he paid Rs. 2,500 professional tax during the year.

(2 × 15 = 30 marks)

D 90025

(Pages : 4)

Name.....

Reg. No.....



**FIFTH SEMESTER B.A./B.Sc. DEGREE EXAMINATION
NOVEMBER 2020**

(CUCBCSS—UG)

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Section A

*Answer all questions.
Each question carries 1 mark.*

A) Fill in the blanks :

- 1 Assessment Year is the period of 12 months commencing from _____ Every year.
- 2 When the income earned in an year is taxed in the same year, it is called _____.
- 3 CBDT stands for _____.
- 4 Salary is defined as per section _____.
- 5 Payment made by an employer to employee monthly, other than salary is called _____.

B) Choose the correct answer from the bracket :

6 Income tax is a _____.

A) Professional tax.

B) Direct tax.

C) Indirect tax.

D) Service tax.

7 Income tax rates are fixed in _____.

A) Income tax Act.

B) Finance Act.

C) Income tax rules.

D) Finance rules.

8 Children education allowance is exempt up to per month per child for two children.

A) Rs. 100.

B) Rs. 150.

C) Rs. 200.

D) Rs. 250.

Turn over

- 9 Foreign allowance is a _____.
- A) Fully Exempted Allowance. B) Fully Taxable Allowance.
C) Partly Exempted Allowance. D) None of these.
- 10 Under the head Income from House Property the basis of charge is _____.
- A) Rent Received. B) Gross Annual Value.
C) Annual Value. D) Municipal Value.

(10 × 1 = 10 marks)

Section B

Answer at least five questions.

Each question carries 4 marks.

All questions can be attended.

Overall Ceiling 20.

- 11 What is previous year ?
- 12 What is residential status ?
- 13 What is partly agriculture income ?
- 14 What is Gratuity ?
- 15 Define Perquisite.
- 16 What is composite rent ?
- 17 What is municipal value ?
- 18 Define Profession.
- 19 What is capital asset ?
- 20 What is cost of acquisition ?

(5 × 4 = 20 marks)

Section C

Answer at least four questions.

Each question carries 8 marks.

All questions can be attended.

Overall Ceiling 32.

- 21 Mr. Raja enters into a job in 2016. His particulars of job for the previous year 2019-2020 are as under. Basic salary 50,000 p.m., D.A. 10,000 p.m. (Half forming part of salary), HRA 12,000 p.m. and actual rent paid Rs. 6,000 p.m. Employer and employee contributed 13% of salary towards recognised provident fund. Life insurance premium paid Rs. 10,000 p.a. Compute income from salary.

- 22 Mr. Ram owns a house property which has two identical units. One unit is let out for residential purpose and other unit is self occupied by him during the previous year. The particulars of the house property are as follows :

Municipal value - Rs. 6,00,000 p.a. : actual rent - Rs. 50,000 p.m. : standard Rent-Rs. 5,50,000 p.a.

The house remained vacant for two months and Rule 4 has been satisfied by him.

Compute the income from House property.

- 23 Calculate income from other sources from the following particulars :

1. Winning from lottery Rs. 1,00,000
2. Received from race winnings Rs. 35,000
3. Interest received from listed debenture Rs. 9,000
4. Interest on 10% tax free debentures of Rs. 10,000.
5. Received Rs. 25,000 as gift from a friend.
6. Received Rs. 50,000 as gift from elder brother
7. Received Rs. 30,000 as gift on his marriage.
8. Received Rs. 80,000 as gift from another friend.

Calculate Taxable income.

- 24 Mr. Laloo Singh, received education allowance of 80 p.m. for his 1st child, 90 p.m. for his 2nd Child and 120 p.m. for his 3rd child. He also received hostel allowance of 1,000 p.m. None of his Children are studying. Find taxable Children Education Allowance and Hostel allowance.
- 25 Compute income from "income from other sources" from the following particulars submitted By Mr. Soman :
1. Dividend (gross) 9,600.
 2. Expenses incurred for its collection 500.
 3. Receipt from letting of plant and machinery 10,000.
 4. Repairs of plant and machinery 4,000.
 5. Insurance premium in respect of plant and machinery 2,000.
 6. Depreciation allowed for letting 4,000.
- 26 Calculate capital gain from the following data. Sold self generated goodwill for a business Rs. 7,00,000 bonus shares in Kairali Ltd (not listed) and (being short term capital assets) sold for Rs. 4,00,000. Business income Rs. 30,000. Long term capital loss in the transfer of a building Rs. 20,000. Face value of bonus shares sold Rs. 3,00,000.

Turn over

- 27 X, a resident of Ajmer, receives ' 48,000 as basic salary during the previous year 2018-19. In addition, he gets ' 4,800 as dearness allowance forming part of basic salary, 7% commission on sales made by him (sale made by X during the relevant previous year is ' 86,000) and ' 6,000 as house rent allowance. He, however, pays ' 5,800 as house rent. Determine the quantum of exempted house rent allowance.
- 28 Explain four incomes exempted from tax.

(4 × 8 = 32 marks)

Section D*Answer any one question.**The question carries 18 marks.*

- 29 Mr. Anil submits the following particulars in respect of his business :

| | | | |
|-----------------------------------|----------|-------------------------|-----------|
| Opening stock | 1,08,000 | Sales | 11,50,000 |
| Purchases | 9,46,000 | Interest | 11,000 |
| Salary | 54,000 | Other business receipts | 3,500 |
| Rent and rates | 24,000 | Closing stock | 1,35,000 |
| Interest on loan | 10,000 | Bad debt recovered | 10,000 |
| Depreciation | 1,13,000 | Agricultural income | 50,000 |
| Advertisement | 24,000 | | |
| Sales tax | 2,940 | | |
| Loss on sale of short term assets | 9,000 | | |
| Other expenses | 5,060 | | |
| Income tax | 1,000 | | |
| Net profit | 60,000 | | |
| | 3,06,000 | | 3,06,000 |

Opening stock was overvalued by 10 % and closing stock undervalued by 10%.

Salary includes excess payment of Rs. 2,000.

The amount of advertisement was given in cash Sales tax was paid on 15.05.2018.

Other expense include Rs. 4,000 donation to Rajiv Gandhi relief fund.

Calculate business income and tax liability of Anil.

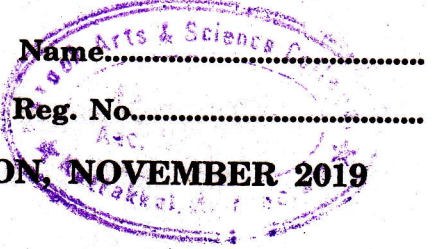
- 30 Mr. Sree is the owner of a house in Kottayam. The details regarding her house are given below. Municipal value 8,400, Rent received 9,000, Total Municipal tax 1260, Municipal tax paid by tenant 420, Ground rent 250, Repairs 2000, Interest on loan taken for renewing the house 300, Unrealized rent recovered 4000. Compute her income from house property for the A.Y. —2020-21.

- 31 Explain the provision for the valuation of motor car under the head salaries.

(1 × 18 = 18 marks)

D 70098

(Pages : 4)



FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS—UG)

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

*(This part consists of two bunches of questions carrying equal mark 1.
Each bunch consists of five objective type questions.)*

Answer all questions.

(A) Fill in the blanks :

- 1 Any rent or revenue derived from agricultural land situated in India is _____.
- 2 If the assessee does not comply with his statutory duties under the Income Tax Act is _____.
- 3 The rate of tax arrived at by dividing the tax by the total income is _____.
- 4 The provident fund recognised by the commissioner of Income tax is called _____.
- 5 The amount of rent which could not be recovered by the assessee is called _____.

(B) Choose the correct answer from the bracket :

- 6 The rent fixed under Rent Control Act is :
 - (a) Expected rent.
 - (b) Standard rent.
 - (c) Municipal Rent.
 - (d) None of these.
- 7 The rate of depreciation of Furniture is :
 - (a) 10%.
 - (b) 15%.
 - (c) 20%.
 - (d) 5%.
- 8 If any asset is sold more than its WDV, it will be deemed as income called _____.
 - (a) Terminal depreciation.
 - (b) Balancing charge.
 - (c) Basis of charge.
 - (d) None of these.

Turn over

- 9 The profit earned on transfer of a capital asset is called _____.
- (a) Capital gain. (b) STCG.
(c) LTCG. (d) None of these.
- 10 The total amount spent for acquiring an asset is called _____.
- (a) Indexed cost of acquisition. (b) Cost of acquisition.
(c) Cost of improvement. (d) None of these.

(10 × 1 = 10 marks)

Part B

*Answer any eight questions in one or two sentences each.
Each question carries 2 marks.*

- 11 Define Previous Year.
12 Define Gratuity.
13 Define Transfer.
14 Define casual income.
15 Define Dividend.
16 Who is a not ordinarily resident ?
17 What do you mean by capital asset ?
18 Define Business.
19 Explain Sec. 54 of Income Tax Act.
20 What is unabsorbed depreciation ?

(8 × 2 = 16 marks)

Part C

*Answer any six questions.
Each question carries 4 marks.*

- 21 Distinguish between RPF and SPF.
- 22 Mr.P came to India for the first time on 1st November 2016. During his stay in India up to 30th October 2017 he stayed at Mumbai up to 10th May 2017 and thereafter remained in Bangalore till his departure from India. Determine his residential status for the A.Y. 2018-19.
- 23 Define following as per Income Tax Act :
1. Salaries.
 2. Perquisites.
 3. Profit in lieu of salary.

- 24 What are the expenses allowed only if it is actually paid ?
- 25 X is appointed at Kolkata. He is stayed in a hotel for 25 days and thereafter shifted in a house provided by the employer. From the following information determine the taxable value of perquisite, stay in hotel :
1. Room rent in hotel Rs. 1,000 per day.
 2. Salary for valuation of accommodation during the P.Y. Rs. 3,65,000.
 3. The employer recovered Rs. 100 per day from X regarding stay in hotel.
- 26 Point out any 8 incomes under the head Income from other sources.
- 27 Mention four gifts exempt from tax.
- 28 Compute agricultural income from cultivation of land :

| | | |
|--|----|----------|
| Sales proceeds of agricultural produce | .. | 1,60,000 |
| Depreciation of equipments | .. | 6,000 |
| Labour charges | .. | 24,000 |
| Cost of seeds | .. | 6,000 |
| Cost of fertilisers | .. | 3,000 |
| Electricity charges | .. | 12,000 |

(6 × 4 = 24 marks)

Part D

Answer any two questions.

Each question carries 15 marks.

- 29 How will the residential status of an individual be determined for tax purpose ?
- 30 Following are the particulars of 2 let out houses of Mr. Asok. Compute his income from house property :

| | | House A | House B |
|---------------------------------|----|----------|----------|
| | | Rs. | Rs. |
| Municipal Valuation | .. | 4,20,000 | 3,50,000 |
| Fair rental value | .. | 3,60,000 | 3,80,000 |
| Standard rent | .. | 4,40,000 | 3,20,000 |
| Actual rent | .. | 4,80,000 | 4,20,000 |
| Unrealised rent of current year | .. | 40,000 | 35,000 |

Turn over

| | House A | House B |
|--|----------|---------|
| | Rs. | Rs. |
| Vacancy .. | 2 months | 1 month |
| Municipal tax actually paid .. | 12,000 | 25,000 |
| Due but not paid .. | 30,000 | 10,000 |
| Repairs .. | 10,000 | 8,000 |
| Insurance premium .. | 12,000 | 6,000 |
| Other expenses .. | 8,000 | 10,000 |
| Interest on money borrowed for the purchase of house .. | 60,000 | |

31. From the following particulars of Sri. Biju, Compute his salary income :

| | | |
|---|----|-----------|
| Salary Rs. 15,000 p.m. | .. | 1, 80,000 |
| Bonus | .. | 6,000 |
| D.A. | .. | 1,800 |
| Entertainment allowance | .. | 6,000 |
| Employers contribution to RPF | .. | 21,000 |
| Employees contribution to RPF | .. | 21,000 |
| Interest on PF @ 12% | .. | 2,400 |
| Personal expenses of Mr. Biju's son met by the employer | .. | 1,000 |
| Rent-free unfurnished house provided by the employer, whose annual rental Value is (at Delhi) | .. | 36,000 |

(2 × 15 = 30 marks)