

(i) Printed Pages : 7

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(ii) Questions : 14

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Bachelor of Commerce 5th Semester
1128

INCOME TAX LAWS

Paper—BCM—501

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :— (1) Attempt any **four** questions from Section A. Each question carries **5** marks.

(2) Attempt any **two** questions each from Section B and Section C. Each question carries **15** marks.

SECTION—A

1. “All assesseees are persons but all persons are not assesseees”. Explain with appropriate examples.
2. How would you compute the Tax Liability of an individual on integration of Agricultural Income.
3. Mr. Ram retired on 31-12-17 and his pension was fixed at Rs. 3,600 p.m. He got $\frac{3}{4}$ of the pension commuted for which he received Rs. 1,80,000 from his employer, A Ltd. Co. Find out the Taxable Amount of commuted value of pension if he gets gratuity.

4. A block of assets consists of 5 machines. WDV of all machines as on 1.4.17 was Rs. 1,80,000. Rate of Depreciation is 15%. A new machine costing Rs. 1,60,000 was acquired in March, 2017 but actually put into use only on 10.10.17. Two old machines are also sold for Rs. 3,20,000 in December, 2017. Determine the amount of Depreciation for the Assessment Year 2018-19.

5. Compute the Taxable Capital Gain from the particulars given below :

Net consideration of a residential house Rs. 10,00,000

(2-6-17) [C.I.I. : 272]

Cost of acquisition of this house Rs. 2,10,000

(1-5-07) [C.I.I. : 129]

New house acquired on 1-9-17 for Rs. 2,00,000.

6. Compute ARV from particulars given below :

MRV	Rs. 60,000 P.A.
FRV	Rs. 66,000 P.A.
Std. Rent	Rs. 63,000 P.A.
Real Rent	Rs. 6,000 P.M.
Date of Completion	31-5-17
Date of Letting	1-8-17

SECTION—B

7. Explain how the liability of an assessee is determined with reference to his residence.
8. Discuss the incomes which are not included in total income nor is Income Tax payable on them.
9. Mr. X has three house properties which he uses for his residential purpose :

	I	II	III
MRV	40,000	60,000	80,000
FRV	50,000	70,000	65,000
Std. Rent	60,000	84,000	72,000
Municipal Taxes	4,000	6,000	9,000
Expansion Repairs	2,000	4,000	3,000
Insurance Premium	1,000	2,500	3,000
Year in which loan taken for house purchase	1998	2002	2007
Interest on loan paid in 2017-18	35,000	40,000	25,000

Find out income from house property as a Tax Expert.

10. From the particulars given below compute the Salary Income of Mr. Vasu for the year ended 31-3-18 :

	Rs.
(a) Net Salary received after deducting of the following :	1,50,000
Income Tax deducted at source	6,000
Own contribution to RPF	20,000
Rent of Residential House provided	4,000
(b) Profit Bonus	24,000
(c) Entertainment Allowance	12,000
(d) He went on tour for official purpose and received Travelling Allowance	6,000
(e) He was ill and was treated in a notified hospital. Medical Bill reimbursed	18,000
(f) He was provided with Rent Free House owned by company at Patna (Population 20 lakhs). Company also provided a gardener to maintain this house. Salary of Gardener paid by Company	500 p.m.

Rs.

- (g) The Electricity and Water Bill of the
above paid by Company 1,200 p.m.
- (h) He was provided with a car of
1.2 lt. CC which was used partly for
personal and partly for employment
purpose
- (i) The Company contributed Rs. 24,000
towards RPF.
- (j) He has taken interest free loan of Rs. 12,000
against salary during the year repayable in
6 equal monthly instalments starting from
August, 2018

SECTION—C

11. Define Capital Gains. Explain the various Exemptions in respect of certain Capital Gains.
12. What do you mean by the Term Depreciation ? What are the rules regarding the claims of deduction of Depreciation ?

13. Mr. A submits the following particulars about Sale of Assets during the year 2017-18 :

	Jewellery	Plot	Gold
Sale Price	5,00,000	20,24,000	2,40,000
Expenses on Sale	Nil	24,000	Nil
Cost of Acquisition	1,50,000	7,00,000	80,000
Year of Acquisition	2007-08	2004-05	2009-10
C.I.I.	129	113	148

He has purchased a house of Rs. 12,00,000 on 1-3-2018. Calculate the amount of Taxable Capital Gain if C.I.I. for 2017-18 is 272.

14. Sh. Sukh Ram furnishes the following particulars of his income for the Previous Year ending on 31-3-18 :

- (i) Dividend from Tea Company in June, 2017 Rs. 2,500
(60% of the Income of the Company is Agriculture Income)
- (ii) Amount won on 1-11-2017 from a horse race Rs. 6,500
- (iii) Interim Dividend declared by Directors of K Co. Ltd. in January, 2018 but the payment was received in June, 2018 for which Dividend Warrants were despatched in May, 2018. The Amount received as Dividend was Rs. 8,000.
- (iv) Dividend declared by P. Co. Ltd. in January, 2018, Dividend Warrants were despatched in April, 2018 and the payment was received in June, 2018 amounting to Rs. 4,000 (gross).

- (v) Amount received in February, 2018 in connection with winning from a Lottery Rs. 35,000.
- (vi) Interest (Gross) on deposit with a firm Rs. 5,600.
- (vii) Dividend received from Co-operative Society Rs. 450.
- (viii) Income from non-agriculture land Rs. 1,500.

Sh. Sukh Ram claims the following expenses :

Bank commission Rs. 100 for collecting interest and Rs. 500 on winning from horse race and winning from lotteries. Interest on loan taken and purchase shared in tea company Rs. 800 and Expenses incurred for purchasing lottery tickets Rs. 2,000.

Compute the Taxable Income of Sh. Sukh Ram under the head income from other sources.