

2316

210

Class – B. Com-VI Semester (Reg.)

Subject – Direct Tax Laws

Paper – BCG-604

Time Allowed : 3 Hours

Maximum Marks : 50

**SECTION-A**

I. Attempt any ten questions.

- (i) 'Assessment year'
- (ii) Representative Assessee
- III. Maximum Marginal Rate
- IV. Fair Market Value in relation to Capital Asset
- V. Block of assets
- VI. Short term Capital Asset
- VII. Gratuity
- VIII. Unrecognised Provident Fund
- IX. Fair Rental value in case of house Property.
- X. Additional Depreciation
- XI. Sub-letting
- XII. What is Previous year' in case of new business?

1×10=10

**SECTION-B**

Attempt any two questions.

- (II) What do you mean by Residential status? Discuss the residential status of an Individual. 10
- (III) What are the objectives of the charge of depreciation? Explain the various conditions for

the charge of depreciation given in the Income Tax Act. 10

The following particulars are Mrs. Dr Rajshri Income for the Previous year 2014-15.

- (a) Salary (after deduction ₹ 6,000 for Income tax at source) ₹ 2,48,000 per annum.
- (b) Dearness allowance ₹ 12,000 per annum.
- (c) Education allowance (for 3 children ₹ 5,700 per annum).
- (d) Rent free house in Mumbai, the company paid ₹ 5,000 per month as rent. The house is furnished and the rent of the furniture is ₹ 2000 per annum.
- (e) Professional tax ₹ 1000 deducted against salary.
- (f) She contributes to recognised provident fund at 14% of her salary and dearness allowance and the company also contributes the same amount. An Interest amount ₹ 4,400 was credited to the fund deposited @ 11%.
- (g) She is provided a small car by company partly for private purposes. The company incurred whole expenditure for operating the car. Compute the income from salary for the assessment year 2015-16. 10

V. Shri R.S. Jain is a CA. He has prepared the following income and expenditure account for the year ended 31-3-15.

Income and Expenditure Account

| Expenditure                              | Amount<br>(₹)   | Income                        | Amount<br>(₹)   |
|--|-----------------|-------------------------------|-----------------|
| Office Expenses                          | 10,000          | Audit fees                    | 70,500          |
| Employee's salary                        | 5,000           | Gift from<br>father-in-law    | 5050            |
| Books (other than<br>annual Publication) | 500             | Dividends                     | 8,000           |
| Personal Expenses                        | 17,000          | Profit on<br>Sale of an asset | 6,450           |
| Donation to N.D.F                        | 500             | Tax consultancy<br>fees       | 50,000          |
| Interest                                 | 700             |                               |                 |
| Income Tax                               | 13,300          |                               |                 |
| Car Expenses                             | 2,000           |                               |                 |
| Net Surplus                              | 91,000          |                               |                 |
|  | <u>1,40,000</u> |                               | <u>1,40,000</u> |

You are required to compute this professional income for the A.Y 2015-16 considering the following points:

- (a) The car is used equally in official and personal purposes and the depreciation allowed for official work is ₹500.

(b) ₹ 1,000 domestic servant salary is included in employee's salary

(c) Loan has been taken to purchase office building.

(d) Mr. Jain is owner of a building, Its written down value is ₹80,000 on 1-4-2014. The building is used for Mr. Jain is office. Besides this furniture cost is ₹30,000. Its WDV on 1-4-2014 is ₹20,000. Allowed depreciation @ 10% on building and 10% on furniture under Income Tax Act. 10

### SECTION-C

Attempt any two questions. Each question carries 10 marks.

VI. Explain Capital gains exempt from Tax.

VII. Mr. Sharma submitted the following particulars of his Income. Compute his total Income.

Salary ₹ 140000

Salary ₹ 14000

Enjoys free use of car of 1.6 lt capacity. He contributes 10% of his salary to RPF. The Company contributes 13% to it. He employs a gardener whose salary is paid by the company ₹ 1000 p.a.

He paid professional tax of ₹ 1000

His employer sold an AC for ₹ 10000

Whose value as per Income Tax rules is ₹ 40000

He is the owner of the house with the rental value of ₹ 4000.

He incurs the following expenses:

local tax ₹ 800, fire insurance premium ₹ 200

Ground rent ₹ 1000, Interest on borrowed Money ₹ 4500.

One more house is owned by him but this is let out on a rent of ₹ 6000 per annum. Municipal taxes in respect of this house amount to ₹ 500 and the collection charges ₹ 300. The house remained vacant for two months. He also paid interest on loan of ₹ 4500, which was use for the construction of this house.

VIII. During the year ended 31st Mar 2015 Mr. David sold the following assets

| Particulars   | Sale Proceeds |
|---|---------------|
| (i) Shop purchases in 1985-86<br>(CII : 133 ) for ₹ 18000   | 170000        |
| (ii) Machinery purchased in 1983-84<br>(CII: 125) for ₹ 35000   | 60000         |
| (iii) Machinery purchased on<br>1-5-2014 for ₹ 10000  | 12000         |
| (iv) Agricultural land in Agra purchased<br>in 1979-80 for ₹ 10000 (FMV on<br>1.4.81) (CII : 100)<br>being ₹ 15000) | 220000        |

- (v) Furniture purchased on 1-5-24 1300  
for ₹ 1000
- (vi) One residential house purchased 270000  
in 1987-88 (CII : 150) costing  
₹ 30000

During the year he bought a new house for his residence for ₹ 5,00,000. Compute Capital gains and also his total income if his other business Income during the year was ₹ 100000. (CII for 2014-15 is 1024)

IX. Write a note on Tax Deduction at source.

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