

Exam. Code : 108506

Subject Code : 2823

B.Com. Semester—VI

DIRECT TAX LAWS

Paper : BCG-604

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION-A

Note :- Attempt any **TEN** parts. Each part carries 1 mark.

- I. (i) Who is an 'ordinary assessee' ?
- (ii) What is 'assessment year' ?
- (iii) Who is 'non-resident' ?
- (iv) What do you mean by 'exempted income' ?
- (v) What is 'statutory provident fund' ?
- (vi) What is 'gratuity' ?
- (vii) What do you mean by 'scientific research' ?
- (viii) What is 'unrealized rent' ?
- (ix) What do you mean by 'intangible assets' ?

- (x) What is 'unabsorbed depreciation' ?
- (xi) What do you mean by 'total income' ?
- (xii) What do you mean by 'unexplained investments' ?
- 10×1=10

SECTION-B

Note :- Attempt any **TWO** questions. Each question carries 10 marks.

- II. "Income tax is charged on the income of the previous year." Do you fully agree with this statement ? If not, what are the exceptions ?
- III. What is 'depreciation' ? Explain the various rules regarding the claim of deduction of depreciation as given in the Income Tax Act.
- IV. The following are the particulars of the income of Ajay for the previous year ending on 31-3-2015 :
- (i) Salary Rs. 12,000 p.m.
- (ii) Contribution to Recognized Provident Fund Rs. 1,610 p.m.
- (iii) Employer contributes the same amount as the employee contributes towards provident fund.

- (iv) Dearness allowance @ Rs. 300 p.m. It's not considered for the computation of his retirement benefits.
- (v) Interest credited to Recognized Provident Fund @ 13% is Rs. 13,000.
- (vi) Contribution to Public Provident Fund is Rs. 9,000.
- (vii) Bonus Rs. 3,000.
- (viii) His ration bill of Rs. 2,000 p.m. is paid by the employer.
- (ix) Premium of Life Policy is Rs. 12,000 on a policy of Rs. 1,20,000.
- (x) Deposited Rs. 4,800 in Equity Linked Saving Scheme (ELSS).
- (xi) Repayment to house building loan taken from HDFC (a government agency) Rs. 20,500 during the year.

Compute his Income under the head Salaries and the qualifying amount for deduction under Section 80C for the assessment year 2015-16.

- V. Mr. Raja Ram owned four houses. Their municipal valuations are Rs. 6,000, Rs. 6,000, Rs. 5,500 and Rs. 10,000 respectively. The municipality levies 10% tax. The first house is occupied for his residence. Hari Ram is residing in the second house at a monthly rent of Rs. 800. The third house is occupied by a business house at an annual rent of Rs. 6,600. In the fourth house Raja Ram is carrying on his own business which has yielded a net taxable income of Rs. 15,145. The second and third house were completed on 30-6-2009. He claims the following deductions :

- (i) Interest on the mortgage of the first house Rs. 200.
- (ii) Rs. 600 paid as salary to a gardener in respect of the third house.

Compute the taxable income under the head 'House Property' and also calculate the Total Income.

$$2 \times 10 = 20$$

SECTION-C

Note :- Attempt any **TWO** questions. Each question carries 10 marks.

- VI. What do you mean by the 'Qualifying amount' under Section 80G ? Who is entitled to it ? Also explain the various provisions of Income Tax Act in this connection.

VII. Explain the various provisions of Income Tax Law regarding the deduction of tax at source in respect of the income from :

- (i) Salaries
- (ii) Interest on Securities.

VIII. Mr. X sold a plot on July 10, 2014 (C.I.I. 1024) for Rs. 6,05,000. The cost of acquisition on June, 15 1987 (C.I.I. 150) was Rs. 50,000. Also, the selling expenses of this house amounted to Rs. 5,000. On August 10, 2014 he makes the following investments :

- (i) Purchase of bonds of National Highway Authority of India, notified under section 54EC for Rs. 1,00,000.
- (ii) Invests Rs. 3,50,000 in a residential house at Delhi on July 10, 2014. He does not own any residential house.

Determine his Taxable Income for the assessment year 2015-16.

IX. Mr. A, who is a lecturer in a college, at Nagpur (population 15 lakhs) is getting a salary of Rs. 39,500 p.m. plus 37% of salary as Dearness Allowance. He contributes 10% of his salary to recognised Provident Fund to which the

college contributes an equal amount. He is also a hostel warden and is provided with rent free quarter, the annual rental value of which is Rs. 36,000. He owns a bungalow which is let out for Rs. 6,000 p.m. and for which he pays municipal taxes amounting to Rs. 6,000 p.a.

During the year ended 31-3-2015 he earned the following incomes :

- (i) 15% dividend on shares of Rs. 15,000 in his Hindustan Chemicals Limited.
- (ii) On 10th October, he won a Punjab Lottery Prize and received Rs. 35,000.
- (iii) 10% interest on Rs. 18,000 invested in the government securities.
- (iv) 9% interest on Debentures of Rs. 15,000.
- (v) Rs. 1,505 as dividend on the units of Unit Trust of India. He has insured his life for Rs. 45,000 and paid Rs. 4,250 by way of premium on his life policy during the year ended on 31-3-2015.

(vi) Mr. A paid Rs. 26,000 to Panjab University, Chandigarh for research in the field of Bio Sciences.

(vii) He invested Rs. 8,000 in a pension fund set up by L.I.C.

You are required to calculate his Total Income for the assessment year 2015–2016. $2 \times 10 = 20$

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