

Exam. Code : 108506

Subject Code : 7059

B.Com. 6<sup>th</sup> Semester (Old Syllabus of 2018)

**DIRECT TAX LAWS**

**Paper—BCG-604**

Time Allowed—Three Hours] [Maximum Marks—50

**SECTION—A**

**Note :—**Attempt any **TEN** very short answer questions.

Each question carries 1 mark. 10×1

1. Write notes on :

- (i) Gross Total Income
- (ii) Determine the status of ACC Ltd. as per Person Definition.
- (iii) Give two examples of incomes which are related to land but are not agricultural income.
- (iv) When an individual is non-resident in India ?
- (v) URPF v/s RPF
- (vi) Exempted incomes from House Property
- (vii) Explain whether a loss sustained by a business as a result of theft committed by an employee during usual working hours of the business is an admissible expense ?

- (viii) Long term capital gains
- (ix) Income from sub-letting
- (x) Deduction u/s 80U
- (xi) TDS
- (xii) House rent allowance.

### SECTION—B

**Note :—** Attempt any **TWO** questions. Each question carries **10** marks. The answer to each question should be up to **five** pages in length. 2×10

2. From the particulars given below, compute salary income of Shri P.M. Dave, executive officer in a company in Mumbai (Population above 25 lakhs).

Pay @ Rs. 25,000 p.m.

D.A. @ Rs. 5,000 p.m. (enters into pay for retirement benefits)

Provided with rent-free 5 room house fully furnished, the Fair Rental Value being Rs. 12,000 p.m., Cost of furnishing Rs. 1,30,000 which includes expenditure on furnishing a room Rs. 30,000. This room is used by the officer for his employment purposes only.

His and employers' contribution to R.P.F. @ 13% of salary. Other benefits are :

- (i) Telephone bill Rs. 2,500 (Telephone was installed at his residence for his official use)
  - (ii) Club bill paid by employer Rs. 4,100
  - (iii) Education allowance Rs. 3,900. (His two children are studying in school)
  - (iv) Reimbursement of medical bills for the treatment of a notified disease (Approved hospital) Rs. 1,555.
  - (v) He provided with a car of 1.4 lt which he uses exclusively for employment purposes.
  - (vi) Leave travel concession for going to a hill station Rs. 26,500. His actual expenses were Rs. 19,650.
3. Mr. A is a cloth merchant. From the following P & L A/c for the year ended 31<sup>st</sup> March, 2017 compute his income from business for the assessment year 2017-18 :

	Rs.		Rs.
Salaries and Wages	15,000	Gross Profit	2,70,000
Rent and Taxes	4,000	Dividend on	
Domestic Exps.	2,500	Shares (Gross)	4,000

	Rs.		Rs.
Income Tax	1,200	Rent from Building	
Postal Charges	1,500	let out	10,000
Donation	2,500		
Life Insurance			
Premium	2,000		
Audit Fees	1,500		
Bad Debt Reserve	1,800		
Bad Debts	2,500		
Depreciation	5,000		
Net Profit	2,44,500		
	2,84,000		2,84,000

**Other Information :**

- (a) Rent and Taxes include Rs. 2,000 paid as Municipal Tax on building let out.
  - (b) Value of Life Insurance Policy is Rs. 18,000.
  - (c) Donation was given to an approved institution.
  - (d) Permissible Depreciation was Rs. 4,000.
4. Discuss the provisions of Income Tax Act, 1961 relating to the determination of annual value of a let-out house property.

5. Write notes on :
- (a) Scope of total income of a NOR assessee.
  - (b) Treatment of agricultural income for income-tax purposes.

### SECTION—C

**Note** :— Attempt any **TWO** questions. Each question carries **10** marks. The answer to each question should be up to **five** pages in length. 2×10

6. Mr. X, a resident individual, submits the following particulars of his income for the year ended 31<sup>st</sup> March, 2017 :
- (i) Royalty from a coal mine Rs. 20,000.
  - (ii) Agricultural income in U.K. Rs. 15,000.
  - (iii) Salary for a part time job with a firm Rs. 21,000.
  - (iv) Salary for Member of Parliament Rs. 36,000.
  - (v) Daily allowance as M.P. Rs. 15,000.
  - (vi) His residential house has been taken on a rent of Rs. 1,000 p.m., half of which he has sub-let at Rs. 1,200 p.m.
  - (vii) Dividend received from a Co-operative Society Rs. 5,000.

(viii) He has incurred the following expenses :

- (a) Paid collection charges Rs. 100 for collecting dividends.
- (b) Rs. 3,000 spent for earning and collecting royalty income.

Calculate Mr. X's 'Income from other sources' for the assessment year 2017-18.

7. Mr. R an Indian resident aged 67 years, submits before you, particulars of his income for the purpose of computing the gross tax liability for the assessment year 2017-18 :

	Rs.
(i) Interest on Govt. Securities	9,000
(ii) He runs a business of publication of books, the net income from this business	5,55,000
(iii) He has also held an agency of insurance, by way of which he earned a commission (net)	13,000
(iv) He has an income from interest on a loan of Rs. 60,000 to a firm @ 15% p.a.	9,000
(v) Short-term Capital Gains	9,000

He claims the following deductions :

- (a) Rs. 600, interest on loan which he took for paying income tax.
  - (b) Expenses of Rs. 5,000 on an appeal against income-tax assessment.
  - (c) Donation to the Govt. for family planning Rs. 3,000.
8. Discuss in detail any four exemptions available under the head Capital Gains.
  9. Write a note on deduction of tax at source.