

**Avinashilingam Institute for Home Science and Higher Education for Women
Coimbatore
Bachelor's Degree Examination – November, 2017**

V Semester

**Class: III UG
Major: B.Com**

**Time: 3 Hours
Max. Marks: 100**

**15BCOC17 Income Tax Law and Practice - I
Part – A**

10 X 1 = 10

Choose the Correct Answer

1. Income from rent of agricultural lands is
 - a) Agricultural income
 - b) Business income
 - c) Casual income
 - d) None of these
2. Section 14 of Income tax Act, 1961 provides for the computation of total income of an assessee under
 - a) One head
 - b) Three heads
 - c) Four heads
 - d) Five heads
3. Salary paid by an Indian company to its employee working in one of its branches outside India is
 - a) Salary accruing in India
 - b) Salary deemed to accrue in India
 - c) Salary accruing outside India
 - d) Salary deemed to accrue outside India
4. A deduction regarding rented house property u/s 24 shall be allowed as under
 - a) Actual amount spent on repairs
 - b) 30% of NAV
 - c) 15% of NAV
 - d) NIL
5. A university teacher is
 - a) Government Employee
 - b) Semi Government Employee
 - c) Private sector Employee
 - d) None of these
6. Deduction allowed u/s 80D shall be
 - a) Rs. 8000
 - b) Rs. 10000
 - c) Rs. 15000
 - d) Rs.25000
7. In long term capital, assets are transferred after a period of
 - a) 12 months
 - b) 24 months
 - c) 36 months
 - d) 48 months
8. Income tax act is applicable to
 - a) Whole of India
 - b) Whole of India Except state of J & K
 - c) Whole of India Except state of Sikkim
 - d) Whole of India Except state of Punjab
9. For any loss to be carried forward and set off against the income of subsequent years the return of such loss must be filed:
 - a) Under Section 139 (4)
 - b) Under Section 140 (1)
 - c) Under Section 144 (2)
 - d) Under Section 139 (3)
10. Proceeds of benefit match received by a cricket player are
 - a) a professional income
 - b) a casual income
 - c) an exempted income
 - d) Salary income

Part – B

5X6 = 30

Answer the following

Answer should not exceed 400 words or two pages

11. a. Define i) Income ii) Person and iii) Assessee.

(or)

11.b. Mr. A an engineer, left India for London on 15th March 2016 for taking practical training in an engineering firm there. He returned to India on 28th March 2016. He was never out of India in the past. State giving reasons what will be the residential status of Mr. A for the previous year 2016-2017.

12. a. Compute gross salary from information given below for a situation:

- i. Salary @ Rs. 3,500 pm
- ii. D.A. @ Rs. 1,000 pm
- iii. CCA @ Rs.200 pm
- iv. House Rent Allowance @ Rs.1,000 pm
- v. Commission on turnover achieved by him is Rs.6,000

Situation:

Living in rented house at Delhi as DA enters into pay for retirement benefits and rent paid is Rs.1,500 pm.

(or)

12.b. Explain gross salary.

13. a. Define 'Annual Value'.

(or)

13.b. Compute Expected Rental Value

Mr. R has a house at Pune where Rent Control Act is applicable. Its MRV is Rs.1,08,000 p.a. and FRV is Rs. 1,20,000 p.a. standard rent is Rs. 1,02,000

14. a. Discuss the admissibility of following items under the head profits and gains:

Mrs. X has received a notice from sales tax authorities and he created a reserve for Rs. 6000 on 31-3-2017. He paid Rs. 3000 on 14-7-2017 and Rs. 3000 on 1-10-2017. He filed his return on 31.7.2017

(or)

14.b. Explain the concept of deemed profits u/s 41?

15. a. Find out the inflated cost in following cases (separately for each case) for the assessment year 2017 – 2018

- | | Rs. |
|---|----------|
| i) Cost of plot acquired in 1986 – 87 for | 80,000 |
| ii) Cost of house purchased in 1979 – 80 for | 90,000 |
| Fair market value on 1-4-81 being | 1,50,000 |
| iii) Cost of house purchased in 1976 – 77 for Rs. 2,00,000 but FMV on 1-4-81 Rs. 4,00,000
(CII for 1981 – 82 = 100, for 1986 – 87 = 140, for 1988 -89 = 161 and for 2016 -2017 = 1125) | |

(or)

15.b. What are the items of deductions allowable in computing income from other sources?

Part – C

5X12 = 60

Answer the following

Answer should not exceed 800 words or four pages

16. a. Explain the concept of income and give its features.

(or)

16.b. Which of the following incomes are taxable when the residential status of Mr.Rathnam For the previous year 2015-16 :

- (i). Resident (ii). Not ordinarily Resident (iii). Non Resident

1. Profit from the business in Bangalore Rs. 10,000.
2. Income accrued in India but received in Japan Rs. 4,000.
3. Profit from business in Canada but received in India Rs. 5,000.
4. Income from house property in Karachi received in Bombay Rs. 4,000.
5. Profit from business established in England and deposited there , the Business being controlled from India Rs. 20,000.
6. Income from house property in America and deposited there Rs. 2,000.
7. Past taxed income brought into India during the previous year Rs. 10,000.