

**D 90669**

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Name.....

Reg. No.....

**THIRD SEMESTER M.Com. DEGREE (SUPPLEMENTARY) EXAMINATION  
NOVEMBER 2020**

(CUCSS)

M.Com.

**MC3C12—INCOME TAX LAW AND PRACTICE**

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

**Part A**

*Answer all the questions.*

*Each question carries 1 weightage.*

1. What is the basis of charge of income from house property ?
2. Who is called 'Representative Assessee' ?
3. What is commuted value of pension ?
4. What are the provisions relating to preliminary expenses ?
5. What is meant by advance payment of tax ?
6. What are the conditions for submitting revised return ?

(6 × 1 = 6 weightage)

**Part B**

*Answer any six of the following.*

*Each question carries 3 weightage.*

7. Explain how residential status of an individual is determined.
8. Distinguish short-term capital gain from long-term capital gain.
9. What are the conditions for claiming deduction of remuneration of partners u/s40 (b) ?
10. When and how tax is to be deducted at source from salary ?
11. Explain best judgement assessment.
12. SathyaPriya, who is not covered by the payment of gratuity Act, 1972 retires on December 26, 2016, from Haritha Ltd. and received Rs. 5,00,000 as gratuity after service of 36 years and 9 months. Her salary is Rs. 6,000 per month up to June 30, 2016 and Rs. 7,000 per month from July. 2016. Besides, she gets DA Rs. 1,000 per month (70 % of which is considered for service benefits). Compute taxable gratuity.

**Turn over**

13. A house was completed on April 1, 2016 and following information is available about this house.

Municipal value Rs. 30,000 p.a.

Fair rental value Rs. 32,000 p.a.

Actual rent Rs. 40,000 p.a.

Municipal taxes Rs. 6,000 p.a.

Let out period : 1 -4-2016 to 31 -12-2016

Self-occupied: 1-1-2017 onwards

Interest on loan for the period :

(a) 1-4-2011 to 31-3-2016 Rs. 45,000.

(b) 1-4-2016 to 31-3-2017 Rs. 15,000.

Calculate income from house property.

14. Calculate income from other sources from the following :

(a) Rs. 2,50,000 invested in 12 % less-tax government securities.

(b) Rs. 2,50,000 invested in 12 % tax free commercial securities.

(c) Rs. 2,50,000 invested in 12 % less-tax commercial securities

(d) Rs. 8,000 received as interest from less-tax commercial securities.

(6 × 3 = 18 weightage)

### Part C

*Answer any two of the following.*

*Each question carries 6 weightage.*

15. For the accounting year ended 31<sup>st</sup> March, 2017 Mr. Shashi furnishes the following particulars of his income.

(i) Salary received in India Rs. 60,000.

(ii) Profit from business in Germany but received in India Rs. 15,000.

(iii) Income from house property in Pakistan deposited in bank there Rs. 12,000.

(iv) Profit from business established in Bangladesh but business is controlled from India Rs. 46,000.

(v) Income accrued in India but received in Sweden Rs. 25,000.

(vi) In this accounting year Mr. Shashi has brought into India foreign income of earlier years Rs. 42,700.

- (vii) Profit from sale of plant at Mumbai (50 % received in Bangkok) Rs. 1,60,000.
- (viii) Interest on Japan Development Bonds (60 % received in India) Rs. 1,00,000 Compute his gross total income if :
- He is resident ;
  - He is not ordinarily resident ; or
  - He is non resident.

16. Mr. BhaskarRao, General Manager of Atul Products Ltd. at Bhopal [Population 15 lakhs] is in receipt of salary of Rs. 14,000 per month. He is in occupation of an unfurnished house for which the company pays a rent of Rs. 800 per month to landlord but does not recover anything from Mr. BhaskarRao. The company also maintains a RPF to which Mr. Rao contributes Rs. 21,000 per annum and the company contributes an equal amount. Interest credited to the Fund is Rs. 9,500 (at the rate of 9 % per annum). During the year ended on 31<sup>st</sup> March 2017 Mr. Rao also has the following incomes:

- Rent a house (built in 1956) let out at Rs. 800 per month (Municipal Taxes Rs. 2,100 per annum).
- Gross dividends Rs. 3,000.
- Bank interest (on term deposits) Rs. 7,000.
- Interest on debentures Rs. 6,000
- Interest on NSC VIII issue (Accrued) Rs. 3,000
- Donation given to Zila Saksharata Samiti Rs. 8,000.

He pays life insurance Premia of Rs. 4,000 a year on his own life, on a policy of Rs. 45,000. He maintains a car for his office and family use. Calculate his total income for the assessment year 2017-18.

17. Mr. Singh, a resident of India, submits the following particulars of his income for the assessment year 2017-18 :

- Income from house let-out (computed) Rs. 9,500.
- Profit from radio business Rs. 19,600.
- Profit from Electric business Rs. 1,800.
- Speculation income Rs. 1,900.
- Short-term capital gains Rs. 3,200.
- Long-term capital gains Rs. 9,250.

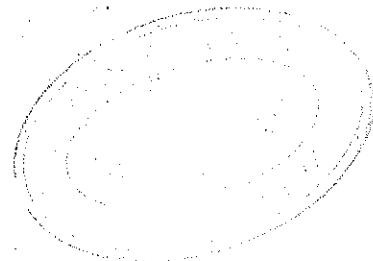
The following items have been brought forward from preceding assessment year:

Turn over

- (i) Loss from cycle business discontinued during 2015-16 Rs. 3,900.
- (ii) Loss from electric business Rs. 2,700.
- (iii) Loss from radio business Rs. 1,900.
- (iv) Unabsorbed depreciation of electric business Rs. 1,000.
- (v) Unabsorbed family planning expenditure Rs. 2,600.
- (vi) Speculation loss Rs. 3,200.
- (vii) Short-term capital loss from the year 2013-14 Rs. 4,100.
- (viii) Long-term capital loss from the year 2014-15 Rs. 6,450.

You are required to compute his gross total income and deal with the carry forward of losses.

(2 × 6 = 12 weightage)



*Jey*