

**SIXTH SEMESTER B.Com. DEGREE (UG-CCSS)  
EXAMINATION, MARCH/APRIL 2015**

(SDE)

Core Course

BC 6B 12—INCOME TAX LAW AND PRACTICE

Time : Two Hours and Forty-five Minutes

Maximum : 27 Weightage

*Answer only in English.*

**Part B**

Section A

I. Answer *all* questions in one or two sentences each. Each question carries a weightage of 1 :

- ✓ 1 What are the items included under the term income ?
- ✓ 2 What is meant by encashment of earned leave ?
- ✓ 3 Name two incomes that are totally exempt from tax.
- ✓ 4 What is meant by perquisites ?
- ✓ 5 What is the exemption allowed for HRA ?
- ✓ 6 What is standard deduction under house property income ?
- 7 What is meant by clubbing of income ?
- 8 What is cost inflation index ?
- 9 Who is eligible for deduction u/s 80 U ? How much is the deduction ?

(9 × 1 = 9 weightage)

Section B

II. Answer any *five* questions. Each question carries a weightage of 2 :

- ✓ 10 Explain the perquisites that are fully exempt from tax.
- 11 Define capital gain. What are the transactions that are regarded as transfer ?
- 12 Mr. Ganesh left for U.S.A. on 10th March, 2010 after having lived in India for 20 years. He came to India on 15th July 2011 and stayed for 20 days. Again he came to India on 10th September 2012 for permanent settlement. Determine his residential status for the Assessment Year 2013-14 ?
- ✓ 13 An individual occupies a residential house with a fair rental value of Rs. 2,00,000. He paid municipal tax Rs. 2,000. Interest on loan borrowed for repairs of property amounted to Rs. 42,000. Find the income from house property.

**Turn over**

✓ 14 Written down value of a Plant and Machinery on 1-4-2012 was Rs. 12,00,000. During the year a new plant costing Rs. 3,00,000 was bought in Jan. 2013 for production department. Calculate depreciation of the block at 15 % for the Assessment Year 2013-14.

15 A firm furnished the following particulars :

	Rs.
Loss from business ...	1,50,000
Income from house property ...	3,00,000
Income from other sources ...	1,50,000
Loss from speculation business ...	70,000
Unabsorbed Depreciation ...	30,000
Long-term capital loss ...	1,00,000

9,000

Compute gross total income for the Assessment Year 2013-14.

16 Mr. Prakash purchased a residential flat for Rs. 21,000 in 1986-87. He sold the same for Rs. 6,50,000 during the previous year. He purchased a house for Rs. 2,88,000 and deposited Rs. 2,00,000 in bonds of NHAI within 6 months of transfer. Compute taxable capital gain for the A.Y. 2013-14 (Index 1986-87 - 140 and 2012-13 - 852).

(5 × 2 = 10 weightage)

### Section C

III. Answer any *two* questions. Each question carries a weightage of 4 :

17 Explain the provisions relating to set-off and carry forward of losses.

✓ 18 Mr. Mani is a production manager of a company. Particulars of his salary are given below :

Basic salary Rs. 15,000 p.m.; DA Rs. 5,000 p.m., given as per terms of employment.  
Entertainment allowance Rs. 1,000 p.m.; Medical allowance Rs. 500 p.m.; HRA Rs. 4,000 p.m. Rent paid for the house Rs. 5,000 p.m.

A small car is provided for private and office use, all expenses are met by the employer. He and his employer contribute 15 % of salary to RPF. He had taken an interest free loan of Rs. 15,000 to purchase a refrigerator. Compute taxable salary for the A.Y. 2013-14.

✓ 19 Mr. Sunil is the owner of two houses. The details of the houses are given below :

Particulars	House I (Let out)	House II (Self occupied)
Actual rent	90,000	—
Standard rent	70,000	—
Municipal rent	85,000	80,000
Municipal tax	9,000	90,000
Interest on loan	12,000	8,000
Unrealised rent	11,000	24,000

70,000

2,100  
120

Compute income from house property.