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(Pages : 4)

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS—UG)

B.Com.

BCM 5B 09—INCOME TAX LAW AND ACCOUNTS

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

(This part consists of two bunches of questions carrying equal mark 1.

Each bunch consists of five objective type questions.)

Answer all questions.

(A) Fill in the blanks :

- 1 Any rent or revenue derived from agricultural land situated in India is _____.
- 2 If the assessee does not comply with his statutory duties under the Income Tax Act is _____.
- 3 The rate of tax arrived at by dividing the tax by the total income is _____.
- 4 The provident fund recognised by the commissioner of Income tax is called _____.
- 5 The amount of rent which could not be recovered by the assessee is called _____.

(B) Choose the correct answer from the bracket :

6 The rent fixed under Rent Control Act is :

- | | |
|---------------------|--------------------|
| (a) Expected rent. | (b) Standard rent. |
| (c) Municipal Rent. | (d) None of these. |

7 The rate of depreciation of Furniture is :

- | | |
|----------|----------|
| (a) 10%. | (b) 15%. |
| (c) 20%. | (d) 5%. |

8 If any asset is sold more than its WDV, it will be deemed as income called _____.

- | | |
|----------------------------|-----------------------|
| (a) Terminal depreciation. | (b) Balancing charge. |
| (c) Basis of charge. | (d) None of these. |

Turn over

- 9 The profit earned on transfer of a capital asset is called _____.
- (a) Capital gain. (b) STCG.
(c) LTCG. (d) None of these.
- 10 The total amount spent for acquiring an asset is called _____.
- (a) Indexed cost of acquisition. (b) Cost of acquisition.
(c) Cost of improvement. (d) None of these.

(10 × 1 = 10 marks)

Part B

*Answer any eight questions in one or two sentences each.
Each question carries 2 marks.*

- 11 Define Previous Year.
12 Define Gratuity.
13 Define Transfer.
14 Define casual income.
15 Define Dividend.
16 Who is a not ordinarily resident ?
17 What do you mean by capital asset ?
18 Define Business.
19 Explain Sec. 54 of Income Tax Act.
20 What is unabsorbed depreciation ?

(8 × 2 = 16 marks)

Part C

*Answer any six questions.
Each question carries 4 marks.*

- 21 Distinguish between RPF and SPF.
- 22 Mr.P came to India for the first time on 1st November 2016. During his stay in India up to 30th October 2017 he stayed at Mumbai up to 10th May 2017 and thereafter remained in Bangalore till his departure from India. Determine his residential status for the A.Y. 2018-19.
- 23 Define following as per Income Tax Act :
1. Salaries.
 2. Perquisites.
 3. Profit in lieu of salary.

- 24 What are the expenses allowed only if it is actually paid ?
- 25 X is appointed at Kolkata. He is stayed in a hotel for 25 days and thereafter shifted in a house provided by the employer. From the following information determine the taxable value of perquisite, stay in hotel :
1. Room rent in hotel Rs. 1,000 per day.
 2. Salary for valuation of accommodation during the P.Y. Rs. 3,65,000.
 3. The employer recovered Rs. 100 per day from X regarding stay in hotel.
- 26 Point out any 8 incomes under the head Income from other sources.
- 27 Mention four gifts exempt from tax. .
- 28 Compute agricultural income from cultivation of land :

Sales proceeds of agricultural produce	..	1,60,000
Depreciation of equipments	..	6,000
Labour charges	..	24,000
Cost of seeds	..	6,000
Cost of fertilisers	..	3,000
Electricity charges	..	12,000

(6 × 4 = 24 marks)

Part D

Answer any two questions.

Each question carries 15 marks.

- 29 How will the residential status of an individual be determined for tax purpose ?
- 30 Following are the particulars of 2 let out houses of Mr. Asok. Compute his income from house property :

	House A	House B
	Rs.	Rs.
Municipal Valuation	.. 4,20,000	3,50,000
Fair rental value	.. 3,60,000	3,80,000
Standard rent	.. 4,40,000	3,20,000
Actual rent	.. 4,80,000	4,20,000
Unrealised rent of current year	.. 40,000	35,000

Turn over

	House A	House B
	Rs.	Rs.
Vacancy ..	2 months	1 month
Municipal tax actually paid ..	12,000	25,000
Due but not paid ..	30,000	10,000
Repairs ..	10,000	8,000
Insurance premium ..	12,000	6,000
Other expenses ..	8,000	10,000
Interest on money borrowed for the purchase of house ..	60,000	

31. From the following particulars of Sri. Biju, Compute his salary income :

Salary Rs. 15,000 p.m. ..	1, 80,000
Bonus ..	6,000
D.A. ..	1,800
Entertainment allowance ..	6,000
Employers contribution to RPF ..	21,000
Employees contribution to RPF ..	21,000
Interest on PF @ 12% ..	2,400
Personal expenses of Mr. Biju's son met by the employer ..	1,000
<u>Rent-free unfurnished house provided</u> by the employer, whose annual rental Value is (at Delhi) ..	36,000

(2 × 15 = 30 marks)