

FINAL YEAR B.Com. DEGREE EXAMINATION, APRIL 2015

Part III—Commerce

Paper XIII—INCOME TAX

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer any ten questions.
Each question carries 1 mark.*

1. Define Previous year.
2. What is Average Rate of Tax ?
3. What is Fair market value of a Capital Asset ?
4. Who is an Assessee in default ?
5. What is Short term capital gain ?
6. Who is a Not Ordinarily Resident individual ?
7. Who is a specified employee ?
8. What is cost inflation index ?
9. What is unrealised rent ?
10. What is less tax securities ?
11. List any *four* item of allowances fully taxable.
12. What is gross total income ?

(10 × 1 = 10 marks)

Part B

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

13. Explain the tax treatment of Rent-free accommodation in case of salaried assesses.
14. How we determine the Annual value of a let out house property ?
15. List any *eight* allowances partly exempted from income tax.
16. Explain the tax treatment of Free medical facilities and reimbursement of medical expenses.

Turn over

17. Compute the tax liability of Mr. Hassan as Indian resident for the A.Y 2015-16 :

	Rs.
Net Agricultural income	... 50,000
Income from salary (computed)	... 4,00,000
Income from House property (computed)	... 50,000
Income from business	... 2,00,000

18. Explain the tax treatment of Death-cum-retirement gratuity.

19. Explain the provisions relating to carry forward and set-off :

(a) Loss on House property.

(b) Long term capital loss.

20. Mr. Ajay retired from service on 30th April 2014. He got pension Rs. 2,400 per month upto 1st July 2014. He got two-third of the pension commuted and received Rs. 1,50,000. What will be his taxable commuted pension if he received gratuity at the time of retirement ?

21. Mr. Ramachandran is the owner of a house which is let out for residential purpose during the P.Y. 2014-15. Following is the details of the house:

	Rs.
Fair rental value	... 1,36,000 per year
Actual rent	... 4,000 per month
Municipal rental value	... 40,000 per year
Standard rent	... 38,000 per year
Municipal tax 10% of Municipal valuation	
Ground rent	... 4,000
Collection charges	... 2,000
Interest loan for construction	... 12,000

Compute Income from House property.

22. Mr. Hari sold a plot of land during 2014-15 for Rs. 25,00,000 lakhs. Compute his capital gain for the A.Y. 2014-15 :

Cost of the Plot	... Rs. 2,00,000
Expenses for sale	... Rs. 25,000
Year of acquisition	1984-1985

He purchased another house for Rs. 12,00,000 during December 2014.

(C.I.I. 1984-85 = 125

2014-15 = 1024)

23. Mr. Lal retired on 30-11-2014 from a coal mine after putting a service of 28 years and 10 months. At the time of his retirement he was getting a salary of Rs. 16,000 per month and D.A. of Rs. 2,000 per month. Gratuity received Rs. 3,40,000. Find out his taxable gratuity, if he is covered under payment of Gratuity Act 1972.
24. Explain the valuation of perquisites of motor car, if owned or hired by the employer and the expenses are met or reimbursed by the employer.

(10 × 4 = 40 marks)

Part C*Answer any two questions.**Each question carries 15 marks.*

25. Explain any ten incomes taxable under the head income from other source.
26. Explain the provisions relating to set-off and carry forward and set-off different kinds of losses under Income-tax Act.
27. Mr. Subash is working as a Section Officer in Industries department of Government of India. He submits the following details about his salary for the current previous year :
- Basic salary for the year Rs. 2,51,000.
 - D.A. 50% of salary.
 - HRA – Rs. 7,000 per month.
 - Entertainment allowance Rs. 3,000 per month.
 - Free meals costing Rs. 45 per meal for 150 days.
 - L.I.C. premium paid by Government of India on policy in the name of Subash Rs. 3,000.
 - He stays in his own house Kochi.

Compute his under the head salary.

(2 × 15 = 30 marks)