

Reg. No. : .....

Name : .....

Fifth Semester B.Com. Degree Examination, February 2021

First Degree Programme Under CBCSS

Core Course : CO 1541/CC 1542

FUNDAMENTALS OF INCOME TAX

(2015–2017 Admission)

(Common for Commerce/Commerce with Computer Application)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions. **Each** question carries **1** mark.

1. Who is an assessee?
2. What is meant by MMR?
3. Why residential status is important?
4. What do you mean by block of assets?
5. Define MRV.
6. What do you mean by profession?
7. What do you mean by unrealized rent?

8. Write any two allowable expenses while computing income from business.
9. What is meant by capital gain?
10. What is tax holiday?

**(10 × 1 = 10 Marks)**

**SECTION – B**

Answer **any eight** questions. **Each** question carries **2** marks.

11. Define agricultural income.
12. What is total income?
13. What are the deductions U/S 23?
14. What is Perk?
15. What is meant by previous year?
16. What is meant by annual accretion?
17. What do you mean by standard rent?
18. Define Person.
19. What do you mean by bond washing transactions?
20. What do you mean by set-off of losses?
21. What are the conditions for claiming depreciation?
22. Write any four fully taxable allowances.

**(8 × 2 = 16 Marks)**

## SECTION – C

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

23. What do you mean by accelerated assessment? State the situations where accelerated assessment is done?
24. Mr. Praveen is a Govt. employee in Kolkata. He was residing in his own house. With effect from 1.8.2018 he was transferred to Patna where he took a rented house for Rs. 4,500 pm. His salary during the financial year included the following.

Basic pay Rs. 22,000 pm

Dearness Allowance (includible for retirement benefits) Rs. 4,000 pm

House rent allowance Rs. 2,500 pm

Compute taxable HRA, if any for the previous year 2018 – 19.

25. From the following data, calculate capital gain :

Land purchased in 1997	50,000
FMV of land and building on 1.4.2001	7, 60,000
Cost of construction of first floor in 1999	3,00,000
Cost of construction of second floor in 2005	4,00,000
Sales proceeds	75,00,000
(CII; 2005 – 06 = 117)	

26. Compute annual value :

Municipal value	75,000
Fair rental value	80,000
Standard rent	78,000
Monthly rent	7,000
Municipal tax	4,000
Unrealized rent admissible	14,000

27. What is unabsorbed depreciation? Explain its tax treatment.

28. Explain the tax treatment of encashment of earned leave.

29. Mr. A, an American citizen leaves India, after a period of 10 years stay on 1.06.2016.

During the financial year 2018-19, he was in India for a period of 46 days. Later he returned to India on 11.10.2018. Determine his residential status for the previous year 2018-19.

30. What are the situations where clubbing of income is done?

31. Explain income from house property exempt from tax.

(6 × 4 = 24 Marks)

#### SECTION – D

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

32. Explain various exempted incomes u/s 10.

33. The following income details of Mr. Ambareesh are available.

- Income accrued in USA but received in India Rs. 20,000
- Rs. 50,000 earned in England and received there but brought to India

- Rs. 50,000 earned in India but received in Germany
- Rs. 1,00,000 earned and received in Doha from a business controlled from India
- House property income (computed) from Doha Rs. 20,000 received there
- Rs. 40,000 was past untaxed foreign income which was brought to India during the previous year.
- Profit from a business in Kanpur Rs. 1,00,000

Compute taxable income if Mr. Ambareesh is :

- (a) Ordinarily Resident
- (b) Not ordinarily resident
- (c) Non resident.

34. Mr. Gadgil is an officer of a limited company. His monthly emoluments were as follows :

Basic salary	Rs. 50,000
Dearness Allowance	Rs. 10,000
Tiffin allowance	Rs. 1,500
Children education allowance	Rs. 600 (for three children)
Entertainment allowance	Rs. 3,000
Hostel allowance	Rs. 1,500 (for three children)
House rent allowance	Rs. 5,000

The company paid his private telephone expenses which amounted to Rs. 30,000 during the year.

The company gave him a special present on the New Year day, the cost of which was Rs. 2,000

He has a car with driver (small car) which he uses for official purposes also. The expenses reimbursed by the employer in respect of the car amounted to Rs. 1,20,000.

Compute income from salary for the assessment year 2019-20.

35. Explain the residential status of an Individual.

**(2 × 15 = 30 Marks)**

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