

D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS), V
SEMESTER EXAMINATIONS
APRIL – 2019
DIRECT TAXES

Time: 3 Hrs

SECTION – A (5 X 6 =30)

Answer ALL the questions.

1. (a) Write a note on “PERSON” U/S of the Income Tax Act?

(Or)

(b) Differentiate between Capital receipts and Revenue receipts?

2. (a) X, a resident of Ajmer, receives Rs.48,000 as basic salary during the year. In addition, he gets Rs.4,800 as dearness allowances forming part of his salary. He also receives Rs.10,000 on sales made by him (sale made by X during the relevant previous year). He also receives Rs.6,000 as house rent allowance. He, however, pays Rs.5,800 as tax on the quantum of house rent allowance exempt from tax.

(Or)

(b) Ravikiran owns a big house. 50% of the house is let out for residential purposes and he receives Rs.10, 000; 25% of the area is Self –occupied for own residence and he runs a small business. Municipal valuation of the house Rs.2, 00,000. Fair rent is Rs.1, 00,000. Compute gross annual value.

3. (a) The following is furnished by a small scale industrial undertaking:

W.D.V. of Plant and machinery on 1-4-2017	7,00,000
Additions made during the year on 1-7-2017	60,000
Additions made on 1-2-2018	50,000

On 1.3.2017 an item of machinery was sold for Rs 40,000. The W.D.V. of the item was Rs.15,000: cost of the item was Rs 30,000.

Compute depreciation and W.D.V for AY : 2018 - 2019

III. Income from
Lottery
Betting on Horse racing

(Or)

(b) Mr. X purchase a house property for Rs.26,000 on 10th May 1962. house constructed in 1967-68 by spending Rs.40,000. He dies on property is transferred to Mrs. X by his will. Mrs. X spends Rs.80,000 and 2008 - 09 respectively for reconstruction of the property. Mrs. X Rs.95,00,000 on 15th march 2018 (brokerage paid by Mrs. X is Rs.41,5 house on 1st April, 2001 is Rs.4,60,000. CCI for 2006 - 07 Rs.122 for 2 Rs.272 for 2001 - 02 Rs.100 for 2003 - 04 is Rs.109.

5. (a) What is PAN? What are the merits of PAN?

(Or)

(b) Explain the powers of assessing officer.

SECTION – B (3 X 15 =45)

Answer any THREE of the following questions.

6. Point out any 15 Incomes which are exempted from tax.

7. From the particulars given below compute income from house property which independent units having 1/3rd and 2/3rd area:

Date of completion	1-11-2012
MRV	Rs. 96,000
FRV	Rs. 84,000
Self-occupied	2/3 portion

Let-out 1/3 portion from 1-4-2017 to 31-8-2017 @ Rs. 7,200 p.m. and self-occupied onwards.

8. From the following profit and loss a/c of a manufacturer, calculate income "gains of business or profession" for the year ending 31st march 2018.

PARTICULAR	AMOUNT	PARTICULAR
Salaries to employees	95,000	Gross profit
Advertisement Expenses	24,000	Interest on Securities
General Expenses	16,000	Income from house prop
Bad debts	22,000	Bad debts recovered (all
Drawings by proprietor	1,500	earlier)
Sales tax (due and paid on 1.7.2017	24,000	
Interest on proprietor	2,500	
Repairs	21,000	
Rent	5,000	
Legal Expenses	15,000	
Depreciations	6,000	
Bonus	4,000	
Bonus to proprietor	72,000	
Car purchased	12,000	
Expenses on Car during the year	2,000	
Donation	6,000	
Provisions for bad debts	90,000	
Net profits	13000	
	<u>4,31,000</u>	

From the examination of books of accounts, the following other information

- Advertisement expenses were spent on insertion in newspaper.
- Rs.30,000 was spent on purchase of land and is included in legal ex
- Half of the repair expenses were on let-out building.

- (iii) Income from letting on hire of building and Machinery
Composite lease
- (iv) Interest on bank deposits
- (v) Directors sitting fees
- (vi) Ground rent
- (vii) Income from undisclosed sources
- (viii) Income from lotteries
- (ix) MUKUNDA owned a land at Chennai. It was acquired by the Government. Compensation Rs.1,40,000 is payable by GOVT. for late payment of compensation. The compensation is received during 2017-18. The following deductions are claimed by MUKUNDA:
 - (a) Collection charges of dividend Rs.20
 - (b) Allowable depreciation on buildings and machinery Rs.4,000
 - (c) Insurance on building and machinery Rs.100

10. From the following details compute the total income of X, a resident of Delhi, for the AY: 2018-19

Salary including dearness to R.P.F	60,000
Bonus	9,600
Employers Contribution to R.P.F	6,000
Life Insurance premium (sum assured Rs.1,90,000)	19,000
Perquisite value of accommodation provided by employer	10,960
Rent recovered from X by the employer	10,000
Bills paid by the employer for gas, electricity, and water provided free of cost (Bills in the name of employee)	3,000
X owns a house at Delhi:	
Rent received (12 month)	2,60,000
Municipal valuation	2,40,000
Municipal Tax paid	6,000
Ground Rent	1,000