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**D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1**

 **SEMESTER EXAMINATIONS**

 **APRIL - 2017 14CCO6E**

 **INCOME TAX LAW AND PRACTICE - II**

**Time : 3 Hours Max. Marks: 75**

**Section – A (10 x 2 = 20)**

**Answer ALL the questions.**

1. What do you mean by long term capital gain?
2. Define capital asset.
3. What do you mean by income from other sources?
4. What is meant by dividend?
5. What is meant by clubbing of income?
6. What do you understand by the term “Set - off of losses”?
7. Explain the term Gross Total income.
8. What is surcharge?
9. What is PAN?
10. What is self assessment?

**Section – B ( 5 x 5 = 25 )**

**Answer any Five of the following questions.**

1. From the following details calculate capital gain.
2. Sale consideration of residential house Rs.25,00,000 on 26.10.2015 (CII : 1081)
3. Cost of acquisition of the house on 1.8.2005 is Rs.7,02,000 (CII : 497)
4. New residential house acquired on 2nd February 2016 is Rs.7,50,000 (CII : 1081).
5. Mr. Balu is a film producer. During the previous year he sold a film projector of Rs.1,70,000 which had cost him Rs.1,50,000 and in respect which Rs.40,000 had been allowed as depreciation during last two years. Besides this total income from business was Rs.75,000. Expenses on sale amounts to Rs.5,000. Find out his capital gain.
6. Rakesh submits the following particulars of income for the previous year 2015 - 16. Find out the income from other sources.

|  |  |
| --- | --- |
|   |  Rs. |
| Received winnings from lottery | 10,000 |
| Income from agriculture in England | 78,000 |
| Interest received on deposits with Co - Op. Bank Ltd., | 2,000 |
| Dividend received from a foreign company | 6,000 |
| Dividend received from an Indian company | 5,000 |

1. Mr. P‘s investments for the year ended 31.3.2016 as follows.
2. Rs.17,500 10% Govt. Securities.
3. Rs.10,000 12% Agra Municipal bonds.
4. Rs.10,000 7% National Saving Certificate.
5. 7% Govt. Bonds Rs.18,000

 Collection charge Rs.60. Find out other source income.

1. Master Ajay (age 16 years) received following incomes during 2015 - 2016.

|  |  |
| --- | --- |
|  |  Rs. |
| 1. Interest on bank deposits
 | 75,000 |
| 1. Interest on Govt. securities
 | 80,000 |
| 1. Interest on debentures
 | 40,000 |
| 1. Income by acting in a film
 | 1,00,000 |
| 1. Income by singing contest held by him
 | 50,000 |
| 1. His father’s total income
 | 1,09,000 |
| 1. His mother’s total income
 | 1,09,100 |

 Decide about the person in whose hands the above incomes shall be taxable and the amount to be taxed.

1. Calculate the tax liability of Mr. Alok Tiwari for the assessment year for the particulars given below.

 Income from salary Rs.3,00,000 [Computed]

 Income from house property Rs.74,000

 Income from other sources Rs.1,50,000

 Donation to national defence fund Rs.8,000.

1. Ms. Mansi has her gross total income at Rs.4,25,000 for the previous year. She has contributed for the following. Calculate her taxable income.
2. Municipal corporation for promotion of family planning Rs.42,000
3. Minority community corporation Rs.15,000
4. National Children’s fund Rs.5,000
5. Africa Fund Rs.10,000.
6. Briefly explain the assessment procedure.

**Section – C ( 3 x 10 = 30 )**

**Answer ALL the questions.**

1. (a) Compute the amount of capital gains exempted under section 54 and capital gains chargeable

 to tax in relation to the following transactions.

 Mr. Vasan sells a residential house property in Chennai for Rs.99,00,000 on April 25, 2015

 which was acquired by him on May 10, 1986 for Rs.5,00,000. In August 2015, he purchases a

 house in Madurai for Rs.15,00,000. On June 30, 2016, Vasan sells the house property in

 Madurai for Rs.20,00,000. CII for 1986 - 87 is 140, for 2015 - 16 it is 1081.

(Or)

 (b) Mr. Kannan owns horses at Bangalore and Delhi. The horses run in races at the respective race

 courses. During the year 2015 - 16, Mr. Kannan submits the following information.

 Rs.

 i) Expenses on race horses at Bangalore 4,00,000

 ii) Expenses on race horses at Delhi 6,00,000

 iii) Stake money earned by horses at:

1. Bangalore 5,00,000
2. Delhi 3,00,000

 iv) Mr. Kannan received Rs.1,26,000 on betting during horse races at Bangalore.

 v) Kannana also received Rs.49,000 as lottery winnings and his winnings from card games

 were Rs.20,000, during the year.

 Compute the income from other sources of Kannan for the assessment year 2016 - 2017.

1. (a) From the following particulars of Mr. Julia calculate the taxable income.

 Rs.

1. Income from salary 4,50,000
2. Income from house property:

 House I 1,42,000

 House II (self occupied) (-) 1,50,000

1. Profit and gain of a business:

 Business - X 1,40,000

 Business - Y (-) 56,000

 Business - Z (discontinued) and unabsorbed

 Loss C/F from AY 2012 - 13 (-) 85,000

1. Capital Gains:

 Short - term capital gain 90,000

 Short - term capital loss (-) 40,000

 Long - term capital gain 87,000

1. Other sources:

 Winning from Lotteries 1,00,000

 Interest income 35,000

(Or)

 (b) Calculate tax liability from the following information given by Mr. Amit Sharma.

 He was receiving a salary of Rs.8,000 per month, apart from conveyance allowance of

 Rs.300 per month [Rs.150 p.m. actually spent].

 He had an house whose GAV is Rs.1,50,000, municipal Tax Rs.3,000 out of which Rs.1,500

 is paid by the tenant.

 His income from other sources comes to Rs.4,50,000

 He has contributed Rs.40,000 to Rs. PPF.

 He paid Rs.5,000 towards medical insurance premium.

1. (a) Explain various types of assessment.

(Or)

 (b) Explain the permissible deductions from Gross total income.

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