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

**SEMESTER EXAMINATIONS**

**NOVEMBER - 2017**

**15CCO5E/15CCC5E**

**INCOME TAX LAW AND PRACTICE**

**- I**

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\*\*\*\*\***Time : 3 Hrs**

**Max.Marks : 75**

**SECTION-A (10 x 2 =20)**

**Answer ALL the questions.**

1. Who is a Person?
2. Who is a Non- Resident?
3. What is Perquisites?
4. Define salaries.
5. What do you mean by unrealized rent?
6. What is Vacancy Period?
7. What is meant by Profession?
8. Define Depreciation.
9. What is CBDT?
10. Who is an assessing officer?

**SECTION-B (5 x 5 =25)**

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

11. Differentiate Capital receipts and Revenue receipts.
12. How will you determine the residential status of an individual assessee? Explain.

13. Following are the incomes of Mr. Subramani for the previous year. Calculate his taxable income on the assumption that he is
- i) Ordinary resident
  - ii) Not - ordinary resident and
  - iii) Non - resident.
- (1) Profit from business carried from Hyderabad Rs. 50,000
  - (2) Income accrued in India but received in Hong Kong Rs. 75,000
  - (3) Past Untaxed brought into India a during this previous year Rs. 42,000
  - (4) Income from house Property situated in SriLanka Rs. 48,000
  - (5) Income from agriculture in USA Rs 1,00,000.
14. Mr. Periyasami resides in Chennai and gets Rs. 10,000 per month as basic Salary Rs. 8,000 per month as DA (entering service benefits) Rs. 12,000 per month as HRA. He pays Rs. 10,000 per month as rent. Calculate taxable HRA.
15. Calculate Net annual value from the following.
- Municipal Rental value Rs. 3,000 per month
  - Fair rental value Rs. 3,250 per month
  - Actual Rent Rs. 4,000 per month
  - Municipal Tax 10%.
16. From the particulars given below compute salary income of Mr. Sunny who is working in West Bengal and receives the following during the previous year.

Basic Pay	Rs. 20,000 p.m	
D.A	Rs. 1,500 p.m	(enters into service benefits)
Education Allowance	Rs. 200 p.m	Per child for his two children
Tribal area Allowance	Rs. 300 p.m	
CCA	Rs. 125 p.m	
Conveyance Allowance	Rs. 100 p.m	
Helper Allowance	Rs. 50 p.m	

17. From the following Profit and Loss account, Calculate Income from Business:

	Rs.		Rs.
To Rent	40,000	By Gross Profit	2,50,000
To Salary to employees	25,000	By Property income	
			1,50,000
To Depreciation	10,000	By income from other sources	2,00,000
To Donation	8,000		
To Net Profit	5,17,000		
	6,00,000		6,00,000

18. Explain the powers of Chief Commissioner of income tax.

## SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (a) Explain the various incomes exempted U/S 10.

(Or)

(b) Calculate income from salary of Mr. Vishnu Kumar a Director employee of H.D. Ltd.,

Coimbatore.

Basic Salary Rs. 40,000 p.m

D.A Rs. 12,000 p.m (Not forming Part)

Bonus Rs. 50,000

HRA Rs. 8,000 p.m (Rent Paid Nil)

Both the employer and the employee contribute 14% of salary towards RPF.

The employee was provided with an Ambassador car (1800cc) for his personal and official use along with a driver and the employer meets expenses. He employer Pays Rs. 2,000 Professional tax and Rs. 3,000 Insurance premium of Mr. Vishnu Kumar.

20. (a) Yashapl has occupied two houses for his residential purposes. Particulars of which are as follow.

Particulars	House 1 (Rs)	House 2 (Rs)
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Municipal value	60,000	30,000
Fair rental value	85,000	32,000
Standard Rent	65,000	36,000
Municipal tax paid	6,000	3,000
Fire insurance Premium	2,000	1,000
Ground Rent due	500	200
Interest on Capital borrowed for construction of houses (Rs 10,00,000) @ 16% on 5 <sup>th</sup> April 2013, Construction is completed on 5 <sup>th</sup> March 2014 and Loan is yet to be paid	160,000	Nil

Calculate Income From House Property assuming that Yashpal could not occupy House 2 for two months.

(Or)

(b) Calculate Income from House Property of Mr. Rijo., who owns two Houses. The details are as follows.

Particulars	House 1 (Rs)	House 2 (Rs)
Municipal rental value	80,000	1,00,000
Fair Rental value (FRV)	90,000	1,10,000
Standard Rent	85,000	N.A
Actual rent (AR)	1,02,000	-
Vacancy	-	-
Unrealized Rent (URR)	8,000	-

Nature of occupation	L/O	S/O
Municipal tax	3,000	2,000
Interest on borrowed capital (due)	8,000	15,000

21. (a) From the following P & L A/c, Calculate income from  
Business of Mr. Arun.

	Rs.		Rs.
To General	20,000	By G/P	2,22,000
Expenses	8,000	By Short –term	1,20,000
To	6,000	capital gain	
Advertiseme	4,000		30,000
nt	7,000	By Long-term capital	
To Bad		gain	200,000
debts	6,000		
To repairs	25,000	By Sundry income	7,000
To Patent	5,03,00		
right	0	By bad debts	
acquired		recovered	
during 1997		disallowed earlier	
To			
copyrights			
during 2016			
To other			
expenses			
To Net profit			
	5,79,00		
	0		5,79

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- (i) Rs. 2,000 of repair expenses is of capital nature.
- (ii) Rs. 25,000 Spent on other expenses relates to income received investments.
- (iii) Advertisement was paid in cash.

(Or)

(b) Explain the power of income tax authorities to search and seizure.

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