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| Reg.No : |  |  |  |  |  |  |  |  |  |  |  |

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

**SEMESTER EXAMINATIONS**

 **APRIL – 2018 15CPCO4A**

 **DIRECT TAXES**

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

**SECTION – A (5 X 6 =30)**

**Answer ALL the questions.**

1. a) Write Short note on the following:
2. Assessee
3. Previous Year
4. Agriculture Income

(Or)

 b) Explain the scope of total income.

1. a) From the particulars given below compute value of furnished flat to be

 included in the computation of income from salaries: Rs.

|  |  |  |
| --- | --- | --- |
|  | Salary | 1,48,000 |
|  | Bonus | 12,000 |
|  | Free Gas, Electricity and Water( Bills Paid by the Employer) | 6,000 |
|  | Furnished Flat provided to employee at Kanpur(Population above 25Lakhs) for which actual rent paid by the company | 78,000 |
|  | The employee pays Rs.1000 p.m. as rent to the company |  |
|  | Furniture Provided by the employee(at cost) | 50,000 |

(Or)

 b) Mr.PK is the owner of a house in Chennai. It has been let out for Rs.90,000. The municipal tax

 payable by the owner comes to Rs.8,400 on municipal valuation of Rs.84,000 but the landlord has

 taken an agreement from the tenant stating that the tenant would pay tax direct to the municipality.

 The landlord however, bears the following expenses on tenant’s amenities:

 Rs.

|  |  |
| --- | --- |
| Water charges as the agreement | 1,000 |
| Lift Maintenance | 1,000 |
| Lighting of Stairs | 1,200 |
| Salary of Gardener | 800 |

 The Landlord claims the following deductions: Rs.

 i) Repairs 30,000

 ii) Land Revenue 1,000

 iii) Collection Charges 2,000

 iv) Legal charges incurred on purchase of land on which

 House property situated 24,000

 Compute the taxable income from house property.

1. a) Mr. RR who is running a factory since 2011, purchased a machine on 30-11-2015 for Rs. 2,00,000

 and spent Rs.24,000 on its installation. It was used for his own business till 1-5-2016 on which date

 he sold it for Rs.1,20,000. He repurchased it on 1-10-2016 for Rs.3,20,000. Determine the actual cost

 and depreciation admissible for the year ending 31-3-2017. Rate of depreciation is 15% in the

 previous year 2015 -16 and 2016 - 17.

(Or)

 b) List and explain any six expenses which are expressly disallowed u/s.40 while computing profits and

 gains of business or profession.

4. a) Mrs.S provides the following information regarding his transaction for the sale of residential house

 during the assessment year 2017-18:

1. House purchased in 1978 for Rs.2,20,000
2. Fair Market Value as on 1-4-1981 (CII: 100) Rs.1,50,000
3. Sold in October 2016 (CII:1125) Rs.28,00,000
4. Amount invested in purchase of another house in April 2016 Rs.2,00,000

Compute the amount of taxable capital Gain.

(Or)

 b) From the following particulars of income of assessees A,B and C, how capital losses shall be set-off

 carried forward for the previous year ending on 31-3-2017? Rs.

1. Mr.A:

 Business Income 15,000

 Short term capital loss 1,200

 Long term capital gain(Shares) 7,200

 Long term capital gain(Jewellery) 20,000

1. Mr.B:

Business income 30,000

Short term capital loss 40,000

1. Mr.C:

Business income 60,000

Short term capital gain 20,000

Long term capital gain (land) 17,000

Carry forward loss ( short term capital

 Asset) 50,000

5. a) Bring out the rates of income tax applicable to an individual for the assessment year 2017-18.

(Or)

b) Write short note on the following:

 i) Permanent Account Number

 ii) Income tax authorities

**SECTION – B (3 X 15 =45)**

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

 6. How residential status of an individual is decided? Explain.

7. The following are the particulars of income of Mr.Arun for the previous yearending on 31st March,2017:

1. Salary Rs.12,000 p.m.
2. Contribution to RPF Rs.1610 p.m.
3. Employer contributes the same amount as the employee contributes towards RPF.
4. Dearness Allowance Rs.300 p.m. It is not considered for computation of his retirement benefits.
5. Interest credited to RPF @13% is Rs. 13,000
6. Bonus Rs.3000.
7. His ration bill Rs.2000 p.m. is paid by employer
8. Professional tax due Rs.2000
9. Entertainment Allowance received Rs.1,000 p.m.
10. Children Education Allowance received Rs. 500 p.m. for three children

 Compute taxable income from salary of Mr. Arun for the assessment year 2017-18

8. From the following statement, compute the income from profession of Dr.CS if accounts are maintained on

 Cash/receipt system:

|  |  |  |  |
| --- | --- | --- | --- |
| Receipts | Rs. | Payments | Rs. |
| To Visiting FeesTo Consultation FeesTo Sale of Medicines To Dividends | 45,0001,25,00072,0005,000 | By Dispensary RentBy Electricity ChargesBy Mobile Phone ExpensesBy Salary to Clinic StaffBy Depreciation on X-ray Machine By Purchase of MedicineBy Depreciation on Surgical  EquipmentBy Income TaxBy Donation to Gandhi TrustBy Motor Car ExpensesBy Depreciation on CarBy Net Income | 36,0006,0006,00036,000 6,00036,0004,0005,5004,0009,6004,80093,100 |
| 2,47,000 | 2,47,000 |

Additional information:

1. Electricity charges include domestic bill of Rs.2,500.
2. Half of motor car expenses are for personal use.
3. Mobile phone expenses include 40% for personal use.
4. Opening stock of Medicine was Rs.6,000 and Closing Stock was Rs.4,000

9. From the following particulars of Mr.KST for the previous year ended 31st March,2017, compute his

 income under the head other sources for the assessment year 2017-18:

 Rs.

|  |  |  |
| --- | --- | --- |
| i | Director’s fees from a company | 10,000 |
| ii | Interest on bank deposit | 3,000 |
| iii | Income from undisclosed sources12,000 | 12,000 |
| iv | Winning from lotteries | 24,500 |
| v | Royalty on books written by him | 8,000 |
| vi | Income received by giving lectures | 5,000 |
| vii | Interest on loan given to Uncle | 7,000 |
| viii | Interest on tax free debentures of a company(Listed) | 3,600 |
| ix | Dividend on shares | 6,400 |
| x | Interest on Post Office Savings Bank Account | 500 |
| xi | Interest on Government securities | 2,200 |

 He claims the following deductions:

 Collection Charges on dividend Rs.100:

 Typing Manuscript of book written by him Rs.1,000

 10. The following are particulars of income of Mr.Aswin Kumar for the assessment year 2017-18:

 Rs.

|  |  |  |
| --- | --- | --- |
| i | Income from house property computed | 61,200 |
| ii | Business income | 1,80,000 |
| iii | Dividend (Gross) from Co-operative Society | 15,500 |
| iv | Long term Capital Gain: a) From Share b) From Jewellery  | 60,00035,000 |
| v | He paid Rs.28,000 as Life Insurance Premium on his own life on a policy of Rs.2,00,000(Policy issued on May 1,2013). He also paid Rs.6,000 on a life policy of Rs.50,000 which acquired in 2010. |  |
| vi | He gave Rs.30,000 as donation to a charitable institution approved under section 80G |  |
| vii | During the year he deposited Rs.12,500 in National Savings Scheme-1992 |  |
| viii | Interest accrued on NSC VIII issue purchased in November 2015 for Rs.30,000 is Rs.2,200 |  |
| ix | During the year he deposited Rs.18,000 in an equity linked savings scheme (Dhan 80) notified u/s.80C |  |
| x | Interest accrued on Fixed Deposit in a Bank | 6,000 |

**\* \* \* \* \* \* \***