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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 Fees  To Consultation Fees  To Sale of Medicines  To Dividends | 45,000  1,25,000  72,000  5,000 | By Dispensary Rent  By Electricity Charges  By Mobile Phone Expenses  By Salary to Clinic Staff  By Depreciation on X-ray Machine  By Purchase of Medicine  By Depreciation on Surgical  Equipment  By Income Tax  By Donation to Gandhi Trust  By Motor Car Expenses  By Depreciation on Car  By Net Income | 36,000  6,000  6,000  36,000  6,000  36,000  4,000  5,500  4,000  9,600  4,800  93,100 |
| 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 | 60,000  35,000 |
| 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 |

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