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Register Number:

Name of the Candidate:

**B.B.S/B.Com (BUSINESS STUDIES)
DEGREE EXAMINATION, May 2015**

(THIRD YEAR)

(GROUP: A)

740: DIRECT TAXES

(Old Regulations)

Time: Three hours

Maximum: 100 marks

Answer any FIVE questions.

(5 × 20 = 100)

1. Define the term perquisite and how are they treated for income-tax purposes?
2. Enumerate expenses which are disallowed in computing taxable profits of a business.
3. How would you determine the residential status of a person?
4. Explain the various types of assets and deemed assets in wealth tax.
5. The following are the incomes of Sunil Kumar for the previous year 2012-2013.

	₹
Profit from business in Indore (Controlled by London Head Office)	2,50,000
Dividend from Indian Company	27,500
Profit from business in China received in India	1,20,000
Interest received from a non-resident Mr. Anand, on the loan provided to him for a business carried on in India	50,000
Income was earned in Germany and received there, but brought in India	80,000
Share income from Indian partnership firm	1,50,000
Profit from business in Malaysia deposited in a bank there, This business is controlled from India.	2,00,000
Income from house property in India received in America (Computed)	62,000
Interest on debentures of an Indian company received in Dubai	25,000
Capital Gain on sale of agricultural land situated at Ajmer	48,000

Compute his taxable income, if he is:

a) Resident

b) Not ordinarily Resident

c) Non-Resident

6. Miss. Deepika is employed with a software company at Hyderabad. Calculate her income from salary during the year ending 31.03.2013.

Basic salary – ₹15,000 p.m

D.A (forming part of pay for superannuation benefits) – 30% of basic salary.

She gets house rent allowance at the rate of ₹2000 p.m

She pays a rent of ₹2,500 p.m

She is provided with a car of 1.5 It. Capacity engine with driver which was used partly for official and partly for private purposes.

The employer also paid her health club expenses amounting to ₹7,000.

Ration bill of employee paid by the employer ₹20,000.

She was provided with air ticket by her employer for her private journey ₹3,000.

She took advance salary of 2 months.

She contributes 20% of salary to a recognized provident fund and her employer contributes the same.

City compensatory allowance provided to her ₹1,500 p.m

She made a purchase of ₹15,000 from her credit card, the company provided the same.

7. Compute income from house property from the particulars given below for the assessment year: 2013-2014.

	₹
Municipal rental value	24,000 p.a
Actual rent received	30,000 p.a
Municipal taxes	2,400 p.a
Date of completion	31.03.2009
Date of letting	01.04.2009
Fire insurance premium (due)	400 p.a
Ground rent(due)	600 p.a
Interest on loan taken to construct the house 2006-07 to 2011-12 @ ₹15,000 p.a. 2012-13 ₹10,000	
Interest on delayed payment of interest	1,000

8. Mr.D.D.Dewan & Company is chartered Accountants in Delhi. They have submitted the following Income and Expenditure Account for the year. Compute the income from profession.

	Expenses	₹		Incomes	₹
To	Drawing	48,000	By	Audit fees	2,24,000
To	Office rent	42,000	By	Financial Consultancy service	98,000
To	Telephone installation charges under O.Y.T Scheme	15,000	By	Dividends from an Indian company(Gross)	6,000
To	Electricity Bill	4,200	By	Dividend on units of UTI	4,000
To	Salary of Staff	66,000	By	Accountancy works	24,000
To	Charities	1,200			
To	Gifts given to relatives	9,600			
To	Car expenses	21,000			
To	Subscription for Journals	2,500			
To	Institute fee	1,200			
To	Stipends given to trainees	12,000			
To	Net Income	1,33,300			
		3,56,000			3,56,000

9. Mr. X owns a residential house at Bangalore. From the following informations, Compute the amount of capital gain.

	₹
Cost of construction (During 94-95)	12,00,000
Cost of Additions and improvements (during 97-98)	6,00,000
Sale consideration (sale made on 10.10.2012)	81,00,000
Expenses on transfer	60,000
Cost of new house purchase in Hyderabad (on 15.01.2013) (House is half finished)	15,00,000
Amount deposited in Capital gain deposit scheme in SBI on 25.07.2013	6,00,000

An amount of ₹6,00,000 withdrawn from capital gain deposit scheme on 12th May 2015 and utilized for the completion of the house.

Cost inflation index for 1994-95 is 259, for 1997-98 is 331 and for 2012-13 is 852.

10. Mr. Anil furnishes the following particulars of his incomes for the previous 2013-14. Compute his gross total income from other sources.

	₹
Dividend on equity shares	12,000
Dividend on preference shares(Gross)	64,000
Income from letting on hire of building and machinery under on composite lease	54,000
Interest on bank deposits	50,000
Director's sitting fees received	24,300
Ground rent	12,000
Income from undisclosed sources	20,000
Winning from lotteries (Net) Received	16,910
9% National Rural Development Bonds	10,000
12% Debentures of Tata Textiles	10,000

The following deductions are claimed by him:

1. Collection charges of dividend - ₹400
2. Allowable depreciation on building and machinery - ₹8,000
3. Fire insurance on building and machinery - ₹2,000

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