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**Final Semester B.Com. Degree Examination, December 2015**  
**Computer Related First Degree Programme Under CBCSS Group 2(a)**  
**Vocational Course – III**  
**Commerce and Tax Procedure and Practice**  
**CX 1371 : INCOME TAX LAW AND ACCOUNTS – I**  
**(2013 Admn. Onwards)**

Time : 3 Hours

Max. Marks : 80

## SECTION – A

**Answer all questions in one word to maximum two sentences. Each question carries 1 mark.**

1. What is Previous Year ?
2. What is Tax Avoidance ?
3. Who is a deemed assessee ?
4. What are perquisites ?
5. What do you mean by Annual Value ?
6. What is Maximum Marginal Rate ?
7. What is Unrealised Rent ?
8. What is composite letting ?
9. What is a block of asset ?
10. What is unabsorbed depreciation ? (10×1=10 Marks)

## SECTION – B

**Answer any eight questions in one paragraph. Each question carries 2 marks.**

11. Explain the residential status of HUF.
12. Explain the tax treatment of perquisites in respect of Medical benefits.
13. List out five incomes which are fully exempt from Income Tax.

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14. Mr. Ram, an Indian citizen, leaves India to USA for a job on 21-09-2013. What will be his residential status for the assessment year 2014-15 if he has never left India earlier ?
15. Mr. Vivek retires from a company on 4<sup>th</sup> January 2014 after serving 16 years. At the time of retirement his basic salary was Rs. 17,600 per month and he was also entitled to Dearness Allowance of Rs. 3,200 per month. On the retirement he received Rs. 2,40,000 as gratuity. He is covered under Gratuity Act. Compute taxable part of gratuity.
16. From the following information of Ragesh, compute the taxable HRA :
- |                    |   |                |
|--------------------|---|----------------|
| Basic Salary       | : | Rs. 6,000 p.m. |
| Dearness Allowance | : | Rs. 1,000 p.m. |
| HRA                | : | Rs. 800 p.m.   |
| Actual Rent paid   | : | Rs. 1,200 p.m. |
17. Who is a specified employee ?
18. Explain the determination of annual value of deemed to be let out house property.
19. What are the allowances fully exempt from Income Tax ?
20. Explain Accelerated Assessment.
21. What are the expenses which are expressly disallowed in computing profits and gains of business or profession ?
22. Distinguish between tax evasion and tax avoidance. **(8x2=16 Marks)**

### SECTION - C

Answer **any six** questions. Answer **not to exceed 120 words**. Each question carries **4 marks**.

23. "Incidence of Tax depends on residential status of assessee". Explain.
24. Mr. Imran Khan, a West Indian came to India for the first time on 10-01-2010 and left for Australia on 15-09-2010. He again came to India on 01-05-2013 to leave for South Africa on 15-07-2013. Determine his residential status for the P.Y. 2013-14.
25. Write a note on tax free perquisites.
26. Mr. Suresh is a government employee. His salary details for the P.Y. 2013-14 are as follows :
- Salary at Rs. 16,500 p.m.
  - DA at Rs. 6,000 p.m.
  - Entertainment allowance at Rs. 1,500 p.m.
- Compute his net income from Salary for the A. Y. 2014-15.

27. Compute Gross Salary from the following information :
- Salary at Rs. 14,000 p.m.
  - DA at Rs. 4,000 p.m. DA enters into retirement benefits.
  - CCA at Rs. 800 p.m.
  - HRA at Rs. 4,000 p.m.
  - Commission on turnover achieved by him is Rs. 6,000 p.m.
  - Living in a rented house at Delhi and rent paid is Rs. 6,000 p.m.
28. Compute taxable income from House Property from the following particulars :
- |                     |   |            |
|---------------------|---|------------|
| Fair Market Rent    | : | Rs. 80,000 |
| Actual Rent         | : | Rs. 72,000 |
| Municipal Valuation | : | Rs. 50,000 |
| Standard Rent       | : | Rs. 60,000 |
| Municipal Taxes     | : | Rs. 20%    |
| Interest paid       | : | Rs. 18,000 |
29. Mr. Rajesh retires from a company on 4<sup>th</sup> January 2014 after serving 16 years. At the time of retirement his basic salary was Rs. 17,600 p.m. and he was also entitled to DA of Rs. 3,200 p.m. On the retirement, he received Rs. 2,40,000 as gratuity. He is covered under Payment of Gratuity Act. Compute the taxable part of gratuity.
30. Mr. M started the construction of his house on 01-06-2006 and for this he took a loan of Rs. 2,00,000 @ 13.5% p.a. from Bank. He took another loan of Rs. 6,00,000 on 01-04-2009 to complete the house. The construction was completed on 30-11-2009 and was self-occupied from 01-12-2009. Compute his income under the head House Property for the A. Y. 2014-15.
31. Explain property incomes exempt from tax. (6x4=24 Marks)

#### SECTION – D

Answer any two questions. Answer not to exceed four pages. Each question carries 15 marks.

32. Compute taxable salary of Smt. Gopi Devi of Kanpur for the A. Y. 2014-15 from the following particulars :
- Basic Salary Rs. 8,000 p.m.
  - DA Rs. 2,000 p.m. (part of salary)
  - Bonus Rs. 8,000 p.a.
  - Rent free accommodation provided by employer at Kanpur (population more than 25 lakhs), the fair rental value of which is Rs. 30,000 p.a. The cost of the furniture provided therein Rs. 10,000.