

Reg. No. : .....

Name : .....

**Third Semester B.Com. Degree Examination, January 2019**  
**Career Related First Degree Programme Under CBCSS**  
**2(a) : Commerce and Tax Procedure and Practice**  
**Vocational Course III**  
**CX 1371 : INCOME TAX LAW AND ACCOUNTS – I**  
**(2013 Admn. Onwards)**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

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

1. When did the present Income Tax Act come into force ?
2. How a partnership firm becomes a non resident in India ?
3. Mention the status of Kerala University and Reserve Bank of India under the Income Tax Act in India.
4. Who is called an assessee in default ?
5. State the meaning of Income accrues or arise under the Income Tax Act.
6. What is standard Rent ?
7. What is salary for the purpose of HRA ?
8. What is the rate of standard deduction for expenses under the head income from house property ?
9. State the rate of depreciation for income tax on furniture.
10. Define a speculative transaction. **(10×1=10 Marks)**

**SECTION - B**

Answer any 8 questions in one paragraph. Each question carries 2 marks.

11. State the meaning and scope of perquisites in income tax.
12. Mr. Raj joined his first job on 15<sup>th</sup> July 2017 at a monthly salary of Rs. 30,000. Compute his salary for the previous year 2017-18 if his salary for March falls due on 31<sup>st</sup> March.
13. How the refund of unrecognized provident fund on retirement of an employee is treated for income tax ?
14. How the perquisite of residential accommodation is valued in the case of a government employee ?
15. How the children education allowance is treated in Income tax ?
16. Mention any two specified professions as per provisions for maintenance of books of accounts.
17. Madhu self occupied house during the previous year 2017-18 having a municipal valuation of Rs. 80,000. He paid municipal tax Rs. 1,000 during the year. Show the computation of the net annual value of the house with remarks.
18. Brief the concepts of Municipal value and Fair Rent of the property.
19. Who is a representative assessee ?
20. Categorise allowances on the basis of their income tax treatment.
21. What are the allowable deductions from the annual value of a house property ?
22. How an individual would qualify as resident of India for income tax ?  
(8×2=16 Marks)

**SECTION - C**

Answer any six questions in not exceeding 120 words. Each question carries 4 marks.

23. Detail any four categories of expenses under Section 43B of Income Tax Act that are allowed as deduction only on payment basis in computing business income.
24. State the taxability of the perquisites :
  - a) A loan of Rs. 16,000 @ 11% p.a. for purchase of a scooter.
  - b) A loan of Rs. 40,000 @ 10% for the cancer treatment of employee's wife .



25. Mr. Jakson an American citizen was appointed a research officer in India on 1<sup>st</sup> April 2006. On 1<sup>st</sup> February 2015 he went to Germany on deputation for a period of 3 years, but left his wife and children in India. On 1<sup>st</sup> May 2016 he came to India and took with him his family to Germany on 1<sup>st</sup> July 2016. He returned to India and joined his original job on 2<sup>nd</sup> February 2018. Determine the residential status of Jakson for the assessment year 2018-2019.
26. As per salary contract between an employee and his employer the salary of the employee was to be increased by Rs.100 p.m. from the 1-4-2015 but the employer did not do so and subsequently the employer agreed to enhance the salary of the employee as per the agreement and paid all the arrears with the salary of September 2017. Show the treatment of arrear salary in the assessment year 2018-19.
27. Mr. Raj is a government employee. During 2017-18 he got : basic salary Rs. 20,000 p.m., dearness allowance of 50% on basic salary and entertainment allowance Rs. 500 p.m. from which he did not spent any amount for official purpose. Calculate the amount deductible in respect of entertainment allowance u/s16(ii).
28. Find out the value of perquisite of car provided to the employee and owned by the employer in the cases
- A large car all expenses borne by the employer during the previous year are Rs. 40,000. Cost of car Rs 6,00,000. The car is solely used for private purposes of employee.
  - Small car meant for both private and official uses. All expenses borne by the employer. Driver is also provided free of charge.
29. Mr. Sam is appointed at Mumbai. He stayed in a hotel for 30 days and thereafter shifted to a house provided by the employer, determine the taxable value of perquisite in respect of the stay in hotel when the room rent in hotel is Rs. 1,000 per day and salary for the valuation of accommodation during previous year 2017-18 is Rs. 4,50,000.
30. Compute depreciation allowable to Ram and Co., a Chartered accountants firm for the assessment year 2018-19 in respect of office building. WDV of building on 1-4-17 Rs. 5,00,000. Rate of depreciation 10%.The firm sold its old office building for Rs.15,00,000 and purchased new office building for Rs 40,00,000 in December 2017.
31. State the meaning and taxability of commuted value of pension. (6×4=24 Marks)

## SECTION - D

Answer any two questions in not exceeding four pages. Each question carries 15 marks.

32. Explain in detail the provisions of income tax law to claim of expenditures on Scientific research u/s 35.

33. Following are the particulars of taxable incomes Aditya for the previous year 2017-18. Compute his gross total income if he is (a) ordinarily resident (b) not ordinarily resident and (c) non resident.

- a) Salary received in Mumbai for service rendered in London Rs. 40,000.
- b) Pension received Rs. 30,000 in London for service rendered in Delhi.
- c) Income from business earned in London Rs. 40,000 of which 15,000 were received in Mumbai. The business is controlled from India.
- d) Income from house property in Canada received there Rs. 20,000.
- e) Profit from business in Sri Lanka, deposited in a bank there Rs. 10,000.

34. The following particulars relate to the income (Rs.) of Mr. Manoj working in Bangalore for the previous year 2017-18.

Basic salary 2,00,000, Dearness pay 50,000, House rent allowance 25,000, Bonus 2,000, Employers contribution to RPF 40,000, Salary of cook paid by employer 15,000, Leave encashment 10,000 and Medical allowance 20,000 and Conveyance allowance 14,000. Manoj paid Rs. 3,000 p.m. for house rent; met conveyance expenses 5,000 during the year. He paid employment tax 5,000. Compute his taxable salary.

35. Mr. Raghu is the owner of a house at Chennai, particulars in respect of which for the year ended 31-3-2018 are as follows : (Amount Rs.) Actual rent received 55,000 (include water charges 5,000), Municipal Valuation 42,000. Municipal tax paid 6,000, Municipal tax outstanding 2,000, Interest on loan taken for renewing the house 12,000. Unrealised rent allowed in the AY 2014-15 recovered the current year 6,000.

Compute income from house property for AY 2018-19.

(2×15=30 Marks)