



Reg. No. :

Name :

Fifth Semester B.Com. Degree Examination, December 2018
First Degree Programme Under CBCSS
Core Course : CO 1541/CC 1542
FUNDAMENTALS OF INCOME TAX
(2014 Admn. Onwards)
(Common for Commerce/Commerce with Computer Application)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences **each**. **Each** carries **1** mark.

1. What is total income ?
2. What you mean by perquisites ?
3. What is RRV ?
4. What you mean by profession ?
5. What is block of assets ?
6. What is TDS ?
7. What you mean by assessee in default ?
8. What is unabsorbed depreciation ?
9. What you mean by bond washing transactions ?
10. What you mean by clubbing of income ?

(10×1=10 Marks)

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SECTION – B

Answer **any eight** questions in **not exceeding one** paragraph **each**. Each carries **2** marks.

11. Define previous year.
12. Define gratuity.
13. What you mean by capital asset ?
14. Define transfer.
15. What you mean by tax free government securities ?
16. Define tax evasion.
17. Define casual income.
18. Define CII.
19. Define dividend.
20. Who is a not ordinary resident ?
21. Explain Sec. 54 of Income-Tax Act.
22. Define business.

(8×2=16 Marks)

SECTION – C

Answer **any six** questions. Each question carries **4** marks.

23. Define the following as per Income Tax Act :
 - a) Salaries
 - b) Perquisites
 - c) Profit in lieu of salary.



24. Mr. Hemanth has income of Rs. 5,60,000 for the year 2017-18. He gave the following donations, during this year :

To Andhra Pradesh Chief Ministers Cyclone Fund Rs. 10,000

To an approved fund set up for rural development Rs. 15,000

To a National Laboratory for specific research Rs. 20,000

Calculate his total income if his income consists of Rs. 3,00,000 taxable under the head profits and gains.

25. Calculate the tax liability of an individual for the Assessment Year 2018-19 :

Total income Rs. 2,10,000

Agricultural income Rs. 4,000.

26. Point out any eight incomes under the head 'Income from other sources'.

27. Distinguish between RPF and SPF.

28. Mr. X came to India for the first time on 1st November 2016. During his stay in India upto 30th October, 2017 he stayed at Mumbai upto 10th May 2017 and thereafter remained in Bangalore till his departure from India. Determine his residential status for the Assessment Year 2018-19.

29. Following are the taxable income of Mr. R for the PY 2017-18 :

1) Income from salary accrued and received in India Rs. 20,000

2) Profit of a hotel business at Melbourne Rs. 30,000

3) Dividend declared in Perth but received in India Rs. 4,000

4) Income from transfer of a long-term capital at Manchester, which was received in India Rs. 20,000



- 5) Interest on debentures of a company at Manchester, which was received in India Rs. 6,000
- 6) Interest received from Mr. P, a non-resident, on the loan provided to him for a business carried on in India Rs. 5,000

Compute the total income of Mr. R if he is a not ordinarily resident for the Assessment Year 2018-19.

30. X is appointed at Kolkata. He is stayed in a hotel for 25 days and thereafter shifted in a house provided by the employer. From the following information determine the taxable value of perquisite, stay in hotel :
- 1) Room rent in hotel Rs. 1,000 per day.
 - 2) Salary for valuation of accommodation during the P.Y. Rs. 3,65,000.
 - 3) The employer recovered Rs. 100 per day from X regarding stay in hotel.

31. Explain the provisions regarding set off of losses. **(6×4=24 Marks)**

SECTION – D

Answer **any two** questions. **Each** carries **15** marks.

32. Following are the particulars of 2 let out losses of Mr. Ashok Jain. Compute his income from house property.

	House A	House B
Municipal valuation	4,20,000	3,50,000
Fair rental value	3,60,000	3,80,000
Standard rent	4,40,000	3,20,000



Actual rent	4,80,000	4,20,000
Unrealised rent of current year	40,000	35,000
Vacancy	2 months	1 month
Municipal taxes		
actually paid	12,000	25,000
Due but not paid	30,000	10,000
Repairs	10,000	8,000
Insurance premium	12,000	6,000
Other expenses	8,000	10,000
Interest on money borrowed for the purchase of house		– 60,000

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33. From the following particulars of Shri Ramesh, compute his salary income.

Salary Rs.15,000 p.m.	1,80,000
Bonus	6,000
DA	1,800
Entertainment allowance	6,000
Employers contribution to RPF	21,000
Employees contribution to RPF	21,000
Interest on PF @12%	2,400
Personal expenses of Mr. Ramesh's son met by the employer	1,000
Rent-free unfurnished house provided by the employer, whose annual rental value is (at Delhi)	36,000

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Total salary paid by the employer to the watchman engaged at Mr. Ramesh's house	4,800
Medical expenses of the employee	600
Free refreshment during the office hours	3,000
Club bill of the assessee paid by the employer	400
ULIP contribution paid by the employer	6,000

He deposited Rs.12,000 in PPF

He was provided with rent-free house for a period of 8 months only during 2017-18 after which he shifted to his own house. He contributed to enjoy the facility of a watchman for his own house also.

34. The following is the Profit and Loss Account of Mr. X for the year ended 31st March 2018. Compute his taxable income from business for that year :

Opening stock	15,000	Sales	1,80,000
Purchases	40,000	Closing stock	20,000
Wages	20,000	Gift from father	10,000
Rent	46,000	Sales of car	17,000
Repairs of car	3,000	Income tax refund	3,000
Medical expenses	3,000		
General expenses	10,000		
Depreciation of car	4,000		
Profit for the year	89,000		
	2,30,000		2,30,000



Following further information is given :

- 1) Mr. X carries on his business from a rented premises half of which is used as his residence.
 - 2) Mr. X bought a car during the year for Rs. 20,000. He charged 20% depreciation on the value of the car. The car was sold during the year for Rs. 17,000. The use of the car was $\frac{3}{4}$ th for the business and $\frac{1}{4}$ th for personal use.
 - 3) Medical expenses were incurred during the sickness of Mr. X for his treatment.
 - 4) Wages include Rs. 250 per month on account of Mr. X driver for 10 months.
35. How will the residential status of an individual be determined ? **(2×15=30 Marks)**

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