

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION MAY 2018
(Second Semester)

Branch-COMMERCE

DIRECT TAX-II

Time: Three Hours

Maximum: 75 Marks

SECTION -A (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5x6 = 30)

1 a A, B and C are partners of a firm with equal shares. The profit and loss account for the year ended 31-3-2017 shows a net profit of Rs. 99,750 after debiting the following as per deed :

- i) Salaries of Rs. 20,000 and Rs. 15,000 to A and B respectively.
- ii) Bonus to C-Rs, 15,000.
- iii) Rs. 5,000 for interest on capital to 'A' calculates @ 20%.
- iv) Rs. 10,000 for rent of the business premises paid to 'B\
- v) Commission of Rs> 5,000 to C.

Compute Book profit and the total income of the firm for the Assessment year 2017-18 assuming that it is a professional firm and all are working partners.

OR

b An association of persons has three members who share profits and losses equally. The profit of the A. O. P as per its P & L a/c is Rs. 3,90,000 after debiting the following to its P & L A/c :

- | | |
|---------------------------------------|------------|
| i) Remuneration to members to A. O. P | Rs. 62,000 |
| ii) Interest on capital to members | Rs. 70,000 |
| iii) Depreciation on assets | Rs. 60,000 |

Depreciation allowable is only Rs. 50,000. Compute the tax payable by AOP, if none of the members of AOP has income exceeding the non-taxable limits.

2 a A domestic company in which public are substantially interested submits the following particulars of its income of the previous year ended March 31, 2017 I

	Rs.
i) Profits of business after deduction of donation to approved charitable institution	1,90,000
ii) Donation to charitable institution by cheque	30,000
iii) Interest on Govt, Securities	10,000
iv) Dividend from a domestic company (Gross)	60,000
v) Long term capital gains	50,000
Vi) Book profit u/s 115 JB	8,00,000

During the financial year 2016-17, the company deposited Rs. 15,000 in Industrial Development Bank of India. The company distributed gross dividend of Rs. 1,00,000 on 06-12-2016. Compute the taxable income of the company for the A. yr 2017 -18.

OR

From the following information compute the tax payable by X Ltd., for the assessment year 2017-18 :

- | | |
|--|---------------|
| i) Business income from dale of securities | Rs. 8,50,000 |
| ii) Other business income | Rs. 10,00,000 |
| iii) Long term capital gains | Rs. 4,00,000 |
| iv) Securities transaction tax paid
(Not deducted from business income) | Rs. 1,50,000 |