

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION MAY 2019
(Third Semester)**

Branch – **COMMERCE (COST AND MANAGEMENT ACCOUNTING)**

DIRECT TAX - I

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Who is an Assessee?
- 2 Who is known as assessee in default?
- 3 What is meant by causal income?
- 4 Define salary.
- 5 Define leave salary.
- 6 What is meant by composite rent?
- 7 State the procedure to calculate GAV.
- 8 Define capital assets.
- 9 What do you mean by unrealized rent?
- 10 What is meant by inter-head adjustment?

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a What do you mean by previous year and state its exceptions?
OR
- b Mr. Ankit left India for the first time on 15th Dec 2017 and returned back to India on 2nd Feb 2018. Determine his residential status for A. Y. 2018-19.
- 12 a Ajay is employed in a software company as a chief secretary at Hyderabad. He gives the following information :

Pay	Rs. 1,80,000 p. a
DA	Rs. 80,000 p.a
CCA	Rs. 15,000 p.a
HRA	Rs. 25,000 p.a
Academic research allowance	Rs. 2,000 p. a
Uniform allowance	Rs. 1,000 p.a
Conveyance allowance	Rs. 1,500 p.a
Education allowance	Rs. 7,200 p. a [Rs. 300 p.m per child for 2 children]
Hostel allowance	Rs. 4,800 p. a [Rs. 200 p.m per child for 2 children]

Calculate gross salary.

OR

- b From the following, calculate income from house property. Ms Sudha owns a house property, which was constructed in 2000. 75% of the property has been left out at a monthly rent of Rs.7,500 and 25% is self occupied by Ms. Sudha herself. The other details of the property are as follows :

MV	Rs. 50,000
FRV	Rs. 60,000
SR	Rs. 55,000
Municipal tax	Rs. 4,000
Interest on borrowed capital	Rs. 10,000

- 13 a From the following P & L a/c calculate income from business :

Particulars	Rs.	Particulars	Rs.
To Rent	40,000	By Gross profit	2,50,000
To salary to employees	25,000	By HP income	1,50,000
To Depreciation	10,000	By IFOS	2,00,000
To Donation	8,000		
To Net profit	5,17,000		
	-----		-----
	6,00,000		6,00,000
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1. Depreciation to be allowed as per income tax provision Rs.8,000.
2. Business income of Rs.12,000 is not shown in the P & L a/c
3. Rs.8,000 of the rent of personal nature.

OR

- b From the following receipts and payment a/c given by Mr. Saravanan, calculate income from profession :

<u>Receipts</u>		Rs.	<u>Payments</u>		Rs.
To Balance		3,50,000	By Office and admn. Exp		60,000
To fees from client :			By salary to staff :		
2017 – 18	1,00,000		2017 – 18	40,000	
2018 – 19	50,000		2018 – 19	30,000	
	-----	1,50,000		-----	70,000
To presents from clients		40,000	By repairs		8,000
To winnings from lotteries		28,000	By interest on business loan		12,000
To rent from let out HP		75,000	By income tax		6,000
To share of income from firm		12,500	By purchase of car Jan 17		1,50,000
			By balance		3,49,000
		-----			-----
		6,55,000			6,55,000
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- 14 a Bring out various deductions that are available while calculating short term capital gain.

OR

- b What are the deductions that can be claimed while calculating IFOS?

- 15 a Mr. Vivek transfer his self acquired property yielding an annual income of Rs.2,00,000 to his HUF, consisting of Vivek, Mrs. Vivek, his Major son Ravi and Minor son Ajay. Discuss

1. How the income is treated under income tax act 1961?
2. If the family is portioned equally subsequently how the income is treated?

OR

- b Write short notes on Deductions u/s 80C, 80CCC, 80CCD & 80CCE,

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Write notes on any 10 Exempted incomes with sections.

Cont...

- 17 Calculate income from salary of Mrs. Timple working in a private company in Bangalore. [Population is 12 lakhs].

	Rs. (p.m)	
Basic salary	12,500	
DA	7,000	(enters into service benefits)
CCA	1,000	
Project allowance	750	
Fixed medical allowance	250	
Servant allowance	400	
Overtime allowance	800	
Education allowance	600	
Hostel allowance	550	
Academic research allowance	2,000	

She also provides the following information :

Her employer and herself contribute 12% towards RPF. She is provided with a rent free accommodation. FRV of the house Rs.1,40,000, cost of furnishing Rs.25,000. Free domestic servant (salary Rs.6,00 p.m per servant). Two servants for provided. She has spent Rs.12,500 towards medical expenses and she claims for reimbursement. The treatment is given in private hospital. Free mobile phone worth Rs. 8,000 was given as gift. Rs.2,000, Rs.3,000 and Rs.4,000 were paid by the employer towards club bill, hotel bill and LIC premium (spouse of Mrs. Timple). Assume she is a director.

- 18 Mr. Suresh, a resident Indian, sold gold for Rs.30,00,000 on May 20,2017 which he acquired on April 16, 1977 at a cost of Rs.1,70,000. the FMV of gold on April 1, 2001 was Rs.1,50,000 He has invested Rs. 4,00,000 in buying a residential house property on June 15, 2018. Ascertain the capital gain. CII for 2001-02 is 100, for 2017-18 is 272.
- 19 From the following particular of income of assesses A, B and C. how the capital lossess shall be set-off and carried forward for the previous year ending on 31-03-2018?

	Rs.
(A) (i) Business income	15,000
(ii) Short-term capital loss	1,200
(iii) Long-term capital gain (shares)	7,200
(iv) Long-term capital gain on sale of jewellery	20,000
(B) (i) Business income	30,000
(ii) Short-term capital loss	40,000
(C) (i) Business Income	60,000
(ii) Short-term capital gain	20,000
(iii) Long – term capital gain (land)	17,000
(iv) Carry forward loss (short-term capital assets)	50,000

- 20 What are the donations allowable as deduction it is 80G and to what extent?