

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

**BCom (CS) DEGREE EXAMINATION DECEMBER 2018
(Fifth Semester)**

Branch- CORPORATE SECRETARYSHIP

TAXATION LAW & PRACTICE

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks!)

Answer ALL questions

ALL questions carry EQUAL marks (10x2 = 20)

- 1 Define 'Assessee'.
- 2 What do you mean by Income?
- 3 What are 'Perquisites'?
- 4 What is CCA?
- 5 What do you mean by 'block of assets'?
- 6 What is indexed cost of acquisition?
- 7 How do you set-off the capital loss?
- 8 State the amount deductible U/S 80GG.
- 9 Who is an Assessing Officer?
- 10 What is best judgment assessment?

SECTION - B (25 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5x5 = 25)

- 11 a Explain the concept of income and give its features.
OR
b Mr.Sen comes to India on 10th May 2015 after staying for 10 years in USA. He stays in India up to 4th January 2018 and leaves India on 5th January 2018 for USA. During his stay in India he did not stay for more than 15 days at any particular place as he was exploring the possibilities of a new business. Determine his residential status for the previous year 2017-18.
- 12 a Mr.Akash is the owner of a house which is let at a rent of Rs.500 p.m. The municipal taxes are equal to 10% of the rent received. Compute the annual value of the house, if
i) The Municipal taxes are paid by Mr.Akash, and
ii) $\frac{1}{3}$ of the municipal taxes are borne by the tenant.
OR
b Explain the features of Salary.
- 13 a What is the procedure for computing capital gain?
OR
b WDV of block of P&M on 1-4-2017 was Rs.5,95,000. During the year 2017-18 a new item costing Rs.1,50,000 was acquired in May, 2017 and an item was sold on 15-9-2017 for Rs,79,000. Calculate the WDV of this block of assets and calculate the depreciation @ 1.5% in relation to assessment year 2018-19.
- 14 a Mrs.X, a salaried employee, furnishes the following information in respect of the previous year ending March 31,2018:

	Rs.
Salary Income	12,60,000
Interest on Debentures	4,50,000
Payment of Medical Insurance premium on the life of her grandfather	8 non

14 a Cont...

Donation to the Prime Minister's Drought Relief Field	2,00,000
Donation to a Public Charitable Institution	3,00,000
Other Income	75,000

Determine the net income of Mrs. X for the assessment year 2018-19, assuming that her income from long-term capital gains is Rs.45,00,000.

OR

b Explain the rules governing the set-off of unabsorbed depreciation.

15 a What are the powers of Central Board of Direct Taxes?

OR

b Explain ' Self Assessment'.

SECTION - C (30 Marks)Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

16 How to determine the residential status of an individual?

17 Mr.Raghav owns a residential house property. It has two equal residential units - Unit I and Unit II. While Unit -1 is self occupied by Raghav for his residential purpose; Unit - II is let out (rent being Rs.6,000 per month, rent of two months could not be recovered). Municipal value of the property is Rs.1,30,000., standard rent is Rs.1,25,0000 and fair rent is Rs.1,40,000. Municipal Tax is imposed @ 15% which is paid by Raghav. Other expenses for the previous year 2017-18 being repairs: Rs. 1,500, Interest on Capital (borrowed during 1998) for constructing the property: Rs.63,000. Find the house property income of Raghav for the assessment year 2018-19.

18 The following is the Profit and Loss account of a merchant for the year ending 31.03.2018

PROFIT AND LOSS ACCOUNT

	Rs.		Rs.
To Office Salary	2,06,500	By Gross Profit	4,36,750
To Bad Debt written off	1,700	By Commission	1,250
To Provision for Bad Debts	3,000	By Discounts	50
To Advertisement	53,800	By Sundry Receipts	200
To Fire Insurance Premium (House Property)	550	By Rent of Building	3,600
To General Expenses	52,750	By Profit on Sale of Investments	3,000
To Depreciation	1,200		
To Interest on Capital	2,000		
To Interest on Bank Loan	1,300		
To Net Profit	1,22,500		
	4,45,300		4,45,300

Compute the taxable profits from business. The amount of depreciation is Rs. 1,000. Interest on Bank Loan was paid on 1-8-2018. Due date of filing of return is 31-7-2018.

19 X, a resident individual, submits the following information, relevant for the previous year ending March 31,2018:

	Rs.
Income from Salary	8,00,000
Income from House Property:	
House I	70,000
House'II	(-) 52,000
House III (Self-occupied)	25,000

Cont...

Profits and Gains of business or Profession:

Business I	2,00,000
Business II	(~)75,000
Business III (Speculative)	(-)1,60,000
Business IV (Speculative)	72,000
Capital Gains:	
Short-term capital loss	8,000
Long term capital gains on transfer of Preference shares	10,000
Income from other sources	
Income from Card games	80,000
Income from betting	70,000
Loss on maintenance of race horses	(-)1,20,000
Income from owing and maintaining race camels	2,00,000

Determine the net income for the assessment year 2018-19.

20 Discuss the powers and functions of Commissioner of Income Tax.

Z-Z-Z

END