

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

**BCom DEGREE EXAMINATION MAY 2018
(Third Semester)**

Branch - **COMMERCE (PROFESSIONAL ACCOUNTING)**

INCOME TAX

Three Hours

Maximum : 60 Marks

SECTION-A (20 Marks)

Answer ALL questions

ALL questions earn EQUAL marks (5 x 2 = 10)

Define 'Person' u/s 2(31)

What do you mean by 'Perquisites' ?

Write the formula to calculate correct stock in case of under valuation.

What are the casual Incomes?

List out the Donations u/s 80G which are deductible upto 50%.

SECTION-B (25 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 4 = 20)

The following are the income of Mr, Vivek for the previous year 2014-15

(i) Profit on sale of machinery in Karnataka but received in Australia Rs.60,000

(ii) Income from house property in Canada Rs.40,000

(iii) Past untaxed income brought to India during the PY 2014-15 Rs. 12,000

Compute total income of Mr. Vivek for the assessment year 2015-16, if he is resident, non-resident and not ordinary resident.

OR

What are the two basic conditions to determine the residential status of an individual?

Mr.Arumugam is working in a public company in Coimbatore he gets a salary at the rate of Rs. 10,000 p.m dearness allowance Rs.500p.m. (50% of salary In terms of employment so provides) and city compensatory allowanceRs.300 p.m. He has been provided rent free house by the company, fair rental value of which is Rs. 1,200 p.m. Compute the taxable value of prerequisite.

OR

From the following details, find out the Gross annual value for a house which is let out.

	Rs.
Municipal value	1,05,000
Fair rent	1,07,000
Standard rent under rent control act	Nil
Actual rent received	1,02,000
Vacancy period	Nil
Unrealized rent	Nil

From the following details compute the taxable income under the head income from business. Profit before adjusting the following items is Rs.7,00,000.

Trade expenses	5,000
Establishment expenses	10,000
Household expense	2,000
Discount allowed	1,000
Income tax	700
Provision for bad debts	1,000
Donation to national defence fund	1,000
Audit fees	200

8 b From the following information, compute the amount of depreciation allowable for the Assessment year 2015-16.

	Rs.
WDV on furniture	1,10,000
Furniture purchased on 10 th June 2014	15,000
Furniture purchased on 18 th Jan 2015	20,000
Part of furniture sold in Feb 2015	3,000
Rate of depreciation @ 10%	

- 9 a Find out the Long term capital gain from the following. Cost of acquisition Rs. 1,20,000
 Year of Purchase of assets 1983-84
 Amount of selling price Rs.35,00,000
 Date of selling assets 10.1.2015
 CII for 1983-84 is 116 and for 2014-15 is 1024

OR

- b Mr. Gentleman furnished the following incomes during 2014-15. Compute taxable income under 'Other Sources'.

	Rs.
a. Winning from Tamil Nadu State Totten'	1,80,000
b. Winning from Horse Races (amount won)	1,500
c. Winning from Cross Word puzzle	15,000
d. Winning from Card games	20,000
e. Winnings from Gambling and battings	25,000
Loss from card games	10,000
Expenses on buying lottery tickets	500

- 10 a Mr. Senthil. submits the following information, relevant for the previous year ending March 31. 2015:

	Rs.
Income from business	
Business 1	18.000
Business 11	-30.000
Income from other sources :	
Interest on securities	-12.000
Bank interest	16.000
Lottery winnings	60.000
Determine the net income	

OR

- b How to calculate the advance tax payable by an assessee? Explain.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 11 Explain any ten incomes which exempt from tax U/S 10 of the income Tax act, 1961.

12 From the following particulars of Mr. Prasad working in a company at Chennai, compute his taxable income from salary for the assessment year 2015- 16:

	Rs.
a. Basic salary	1,500 p.m
b. Contribution to RPF	1,600
c. Employer's contribution to RTF	1,600
d. Interest on RPF @ 10.5%	10.500
e. House rent allowance	4.000
Rent paid him	6,000