



-52-

V Semester B.Com. Examination, November/December 2013
(Semester Scheme) (2013-14 and Onwards)

COMMERCE

Paper – 5.2 : Income Tax – I

Time : 3 Hours

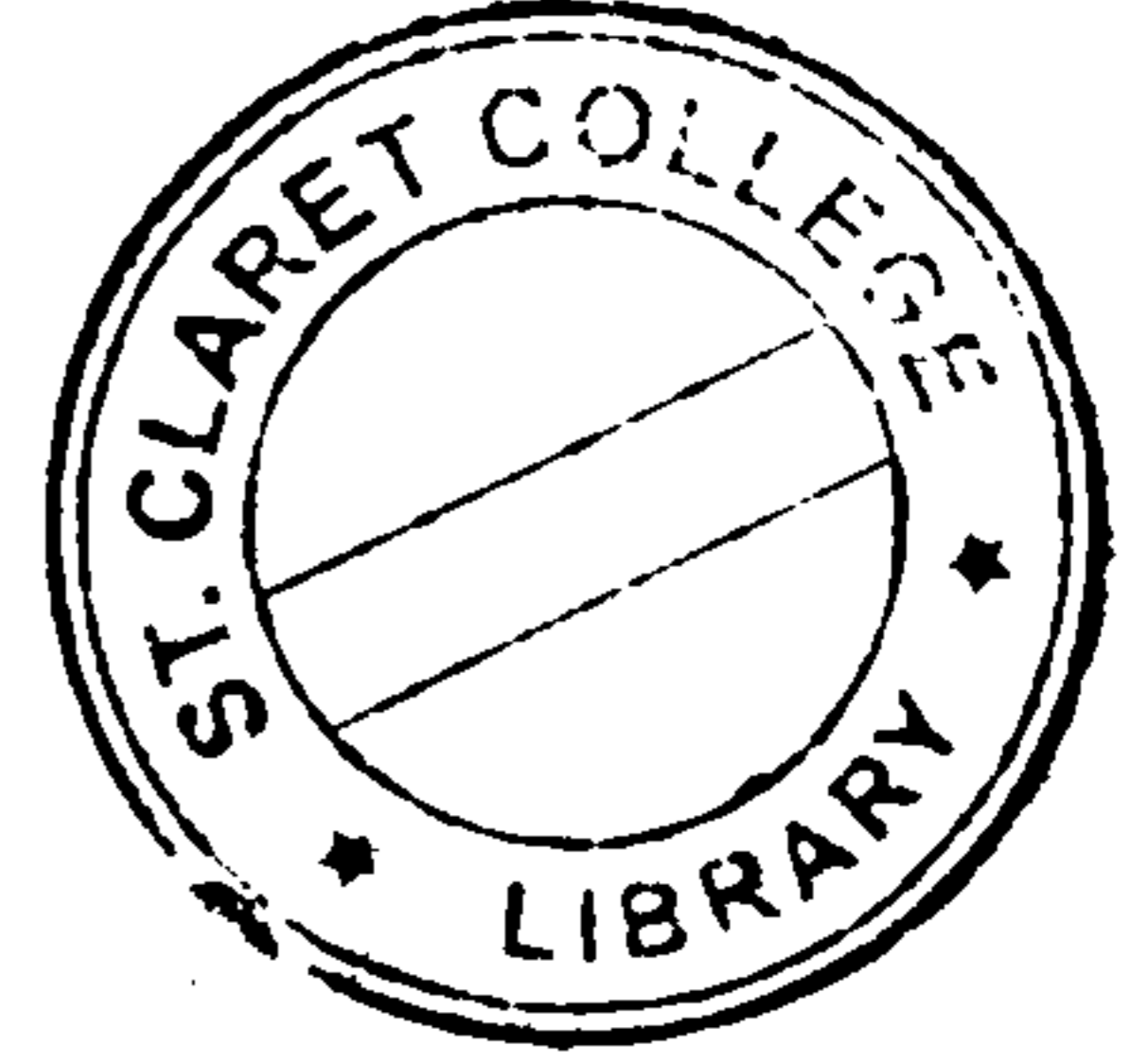
Max. Marks : 100

Instruction : Answer should be written **completely** in **Kannada** or in **English**.

SECTION – A

Answer **any eight** sub-questions. **Each** sub-question carries **two** marks. (8×2=16)

1. a) State the various heads of Income.
- b) What is capital receipt ? Give an example.
- c) What is meant by Incidence of Tax ?
- d) Write any four canons of Taxation.
- e) What is meant by composite rent ?
- f) Define Annual Value.
- g) Define the term person.
- h) Who is a Non-resident ?
- i) What is Recognised Provident Fund (RPF) ?
- j) What is previous year ?





SECTION – B

Answer **any three** questions. **Each** question carries **eight** marks.

(3×8=24)

2. Briefly explain types of perquisites.
3. Mr. Naik who was born and brought up in India, went for further studies to USA on 1st March 2011 and came back to India on 1st October 2012 early in the morning. What is his residential status for the assessment year 2013-14 ?
4. Mr. Keshava retired on 1.1.2013 after serving for 34 years and 9 months in Kirloskar Ltd. From 1.1.2012 to 31.12.2012 his salary was Rs. 8,000 P.M. He was entitled for one and half months earned leave for every year of experience. Leave availed by him in service was 30 months. Leave salary received at the time of retirement was Rs. 1,68,000. Compute the taxable amount of encashment of earned leave for the AY 2013-14.
5. Roopa is the owner of the following house properties. Find out the net annual value for the assessment year 2013-14.

Particular	A	B	C
	₹	₹	₹
a) Municipal Value	1,80,000	1,80,000	3,60,000
b) Fair Rental Value	1,92,000	1,68,000	3,96,000
c) Standard Rent	2,04,000	2,40,000	3,00,000
d) Actual Rent (P.a.)	2,16,000	1,92,000	2,88,000
e) Municipal Tax Paid	12,000	24,000	–
f) Municipal Tax Due	12,000	–	24,000



6. From the following particulars, calculate the salary income of Mr. Rajan for the assessment year 2013-14.

	₹	
Basic Salary	11,000	Per month
House Rent Allowance	4,800	Per month
Dearness Allowance	5,000	Per month
Entertainment Allowance	2,400	Per month

Mr. Rajan and his employer contribute to Recognised Provident Fund 14% of salary.

One small car is allowed to him by his employer both for private and official use. Expenses of car are borne by the employer. He lives in a rented house monthly rent being Rs. 3,000 P.M. Mr. Rajan is working in Mysore.

SECTION – C

Answer **any four** questions. **Each** question carries **fifteen** marks.

(4×15=60)

7. From the following particulars of Mr. Naveen compute his Gross Total Income for the AY 2013-14.

If he is :

- 1) Ordinary Resident
- 2) Not ordinarily Resident and
- 3) Non-Resident.

a) Profit from business in England, received in India Rs. 24,000.



- b) Income from house property in Pakistan received there Rs. 20,000.
- c) Profit from business in Iran received in India Rs. 10,000.
- d) Income from house property in Bangladesh deposited in a bank there Rs. 10,000.
- e) Profit from business in Indonesia deposited in a bank there, this business is controlled from India Rs. 30,000.
- f) Profit from software business in Bangalore controlled from USA Rs. 30,000.
- g) Income from Agriculture in Punjab Rs. 20,000.
- h) Profit from sale of building in India received in Sri Lanka Rs. 25,000.
- i) Income accrued in Chennai but received in Singapore Rs. 32,000.
- j) Dividend received from Domestic Company Rs. 10,000.
8. A) From the following details calculate taxable HRA and Income from salary, of Mr. Rajesh who is working and living at Mysore.

	Rs.
Basic Salary P.A.	78,000
Dearness Allowance P.A. (Enters into retirement benefits)	7,800
House Rent Allowance P.A.	11,700
Rent paid P.A.	13,200
Entertainment Allowance P.A.	5,000



B) From the following details calculate taxable gratuity of Mr. Prakash who retired in September 2012 after having put in 38 years of service in the company. His average salary for 10 months proceeding September 2012 is Rs. 50,000 PM. He received the Gratuity of Rs. 12,00,000 at the time of retirement. If a) Covered by the Act b) Not-covered by the Act.

9. Mr. Vikas is an employee of HCL Ltd. He supplies you the following particulars of his Income.

- a) Basic Salary Rs. 20,000 PM.
- b) Dearness Allowance Rs. 5,000 PM (50% Enters into salary).
- c) Fixed Medical Allowance Rs. 1,000 PM.
- d) Education allowance Rs. 500 PM per child for his three children.
- e) Transport allowance Rs. 1,200 PM
- f) City compensation allowance (CCA) Rs. 100 PM
- g) Employers contribution to RPF at 15% of salary.
- h) Interest Credited to RPF at 9.5% P.A. is Rs. 28,000.
- i) He is provided with free lunch in office. The cost per meal is Rs. 50.
- j) The employer has given him the use of a small car which he uses for both personal and official purposes. He meets the expenses for personal purpose from out of his pocket.



k) He was also provided with rent free house at Bangalore for which the employer paid a rent of Rs. 9,000 PM. He was allowed the use of Furniture costing Rs. 28,000 respectively.

l) Life insurance premium of Rs. 12,000 was paid by employer on an insurance policy of Rs. 2,40,000. Compute his taxable salary for the AY 2013-14.

10. Mr. Sukruth is the owner of four houses in Bangalore. He gives the following particulars of these properties.

Use of the House	I HP	II HP	III HP	IV HP
	SOP	Self Business	LOP	LOP
a) Rent received	–	–	66,000	54,000
b) Fair rental value	60,000	70,000	56,000	90,000
c) Municipal value	62,000	67,000	70,000	60,000
d) Municipal Tax 10%	–	–	Paid by Tenant	Paid by Tenant but deducted from Rent
e) Repairs	5,000	3,000	–	–
f) Interest on loan	–	–	–	3,000
g) Vacancy period	2 months	–	1 month	–



Additional Information :

- 1) Mr. Sukruth, along with his family stayed in Mysore for Two months.
- 2) IV HP loan amount is used for daughter's marriage.

Find out the Income from House property for the AY 2013-14.

11. Following are the particulars of salary of Mr. Gurumurthy.

- a) Basic salary Rs. 10,000 per month.
- b) Dearness allowances 50% of basic salary.
- c) Entertainment allowances Rs. 20,000 per month (actual expenses Rs. 17,800 per month).
- d) Rent free furnished house is provided, which is owned by the company and its fair value Rs. 24,000 per month.
- e) Furniture costing Rs. 5,00,000 is also provided.
- f) Services of the following servants paid by Company.

* Watchman	Rs. 2,000 per month
* Gardener	Rs. 1,500 per month
* Sweeper	Rs. 1,600 per month
* Cook	Rs. 1,200 per month

The company also provided free supply of gas, electricity and water worth Rs. 36,000 per annum. The company provides one large car (more than 1600 cc) with driver for both official and personal use expenses met by company. He paid employment tax Rs. 200 per month.

Compute his salary income for the A.Y. 2013-14.