



SN – 372

- 63 -

V Semester B.Com. Examination, November/December 2014

(Prior to 2014-15) (Repeaters)

COMMERCE

Paper – 5.2 : Income Tax – I

[100 – 13-14 only]

[90 – Prior to 13-14]

Time : 3 Hours

Max. Marks : 90/100

Instructions : 1) Answer should be **completely** written either in **English** or in **Kannada**.

2) Section A, B, C – Common to **all** students.3) Section D – **Compulsory** for 100 marks paper.

SECTION – A

Answer **any ten** sub-questions. **Each** sub-question carries **two** marks. (10×2=20)

1. a) Define “Assessment Year”.
- b) Who is specified employee ?
- c) What is capital receipt ? Give an example.
- d) Write any four canons of taxation.
- e) What is meant by composite rent ?
- f) Who is not ordinarily resident ?
- g) Name any four examples of casual income.
- h) Who is an assessee ?
- i) Define perquisites.
- j) What is unrealised rent ?
- k) Define person.
- l) What are the different categories of assessees on the basis of their residential status ?

SECTION – B

Answer **any five** of the following. **Each** question carries **five** marks. (5×5=25)

2. What are the admissible deductions from annual value of a house property u/s 24 of the Income Tax Act ?
3. Distinguish between capital expenditure and revenue expenditure.
4. State whether the following incomes are agricultural or non-agricultural incomes
 - 1) Sale of plants from nursery.
 - 2) Income derived from land used as stone quarries.
 - 3) Income from sale of forest trees of spontaneous growth.
 - 4) Dividend from a company engaged in agriculture.
 - 5) Income from interest on simple mortgage of land used for agricultural purpose.

P.T.O.



5. Compute net annual value from the following information :

	Rs.
a) Municipal rental value	50,000
b) Fair rental value	72,000
c) Let out (per month)	8,000
d) Standard rental value	60,000
e) Municipal tax paid in	
i) P.Y. 2012-13	10,000
ii) P.Y. 2013-14	10,000

6. Mrs. Archana retired from services on 31st May 2013. Her pension was fixed at Rs. 6,000 p.m. She commutes one-half of her pension and received Rs. 3,00,000. Find out the taxable amount of commuted pension if ;

- She is government employee
- She is a non-government employee who also gets gratuity and
- She is a non-government employee who does not get any gratuity.

7. Mr. Naveen who was born and brought up in India went for further studies to USA on 1st March 2012 and came back to India on 1st October 2013 early in the morning. What is his residential status for the assessment year 2014-15 ?

8. Mr. Naresh is employed in a town (population 13 lakh). His particulars of income for the A.Y. 2014-15 are :

- Basic salary Rs. 8,000 per month.
- D.A. Rs. 2,000 per month (60% doesn't enter into service benefits).
- Entertainment allowance Rs. 500 per month.
- Bonus Rs. 8,000 per annum.
- He has been provided with rent free accommodation, the cost of furniture provided being Rs. 20,000.

Compute the taxable value of furnished accommodation for the A.Y. 2014-15.

SECTION – C

Answer **any three** of the following questions, **each** question carries **15** marks. **(3×15=45)**

9. From the following particulars of Mr. Manu compute his gross total income for the A.Y. 2014-15 if he is :

- Resident
 - not-ordinarily resident
 - non-resident
- Income from business in Chennai, business managed from Srilanka Rs. 25,000
 - Income from house property in Mysore Rs. 1,00,000
 - Income from salary from Japan Rs. 1,60,000
 - Income from business in Kuwait, business being controlled from Mumbai (Rs. 25,000 is received in India) Rs. 65,000
 - Income from agriculture from Punjab received in Mumbai Rs. 30,000
 - Income from agriculture from Bangladesh remitted to India Rs. 10,000
 - Profit from sale of building in India Rs. 2,50,000



- h) Profit from business in Indonesia, this business controlled from Delhi Rs. 40,000
- i) Share of income from Indian partnership firm Rs. 5,000
- j) Interest on savings bank deposits in State Bank of India Rs. 1,000
- k) Dividend from foreign company received in England Rs. 10,000
- l) Income on German Development Bonds (1/3 received in India) Rs. 51,000.

10. Mr. Vijay is an employee in HMT Ltd., Bangalore. He gives the following information for the previous year 2013-14.

- 1) Basic salary Rs. 10,000 per month
- 2) D.A. Rs. 6,000 per month
- 3) Family allowance Rs. 600 per month
- 4) City compensatory allowance Rs. 800 per month
- 5) Education allowance for two children at Rs. 350 per month per child
- 6) Entertainment allowance Rs. 750 per month
- 7) House rent allowance Rs. 1,600 per month. But he pays Rs. 3,000 per month as actual rent
- 8) Company has provided a telephone at his residence by meeting all the expenses amounting to Rs. 6,000 for the year.
- 9) Company has paid his last year's income tax amounted to Rs. 6,420.
- 10) Company has paid Rs. 8,000 for travelling to and from branches. (Amount fully utilised)
- 11) Mr. Vijay has contributed 14% of his salary towards R.P.F. and equal amount by the company.
- 12) Interest on R.P.F. Rs.15,000 at 15%

Compute his salary income for the Assessment Year 2014-15.

11. Mr. Raghavendra owns two house properties one at Bangalore and another one at Mysore. The particulars of such house properties for the financial year 2013-14 are given below :

	Bangalore House A	Mysore House B
Annual rent	6,00,000	4,20,000
Standard rent	3,00,000	5,00,000
Fair rent	3,50,000	3,20,000
Municipal value	3,60,000	3,50,000
Municipal tax paid	20,000	25,000
Repairs paid by the assessee	5,000	6,000
Fire insurance	15,000	7,000
Land revenue	16,000	14,000
Vacant period (in months)	2	4
Interest on loan on construction of house	—	20,000
Nature of occupation	Let out for residence	Let out for residence

Determine the taxable income from house property of Mr. Raghavendra for the assessment year 2014-15.



12. Mr. X is working in a company of Hyderabad on a salary of Rs. 10,500 per month and dearness allowance of Rs. 2,000 per month and half of which is paid under terms of employment. He received Rs. 16,000 as bonus for the year 2013-14. He is given a rent free unfurnished house owned by the company together with the facility of gardener on a monthly salary of Rs. 600. Company paid Rs. 5,000 during the year towards membership fee of a club for Mr. X. During the year medical bills reimbursed by the company for treatment given in a nursing home to his mother Rs. 20,000. He is contributing 15% of his salary to RPF and equal amount by the company and interest credited to this account during the previous year at 9.5% P.A. Rs. 10,000. Compute his taxable income from salary of the assessment year 2014-15.

13. Mr. Narayana has three houses in Bangalore, particulars of which are as follows :

Particulars	House I	House II	House III
Use of the house	Let out	Let out	SOP
Standard rental value	15,000	20,000	—
Municipal rental value	10,000	30,000	30,000
Fair rental value	18,000	18,000	18,000
Actual rent per month	1,500	2,000	—
Municipal tax paid	10% of MV	10% of MV	10% of MV
Repairs	—	—	200
Interest on loan for the purpose of construction	—	—	11,800

Determine the taxable income of Mr. Narayana under the head income from house property for the A.Y. 2014-15.

SECTION – D

Answer the following question. **Compulsory** for 100 marks.

(1×10=10)

14. Mr. Hariprasad has following incomes for the financial year 2013-14
- Income from house property situated in U.K. Rs. 10,000
 - Income from salary received in India for services rendered in U.S.A. Rs. 58,000
 - Profits from business in Pakistan controlled from India Rs. 1,10,000
 - Profit from Delhi business Rs. 1,20,000
 - Agricultural income in India Rs. 12,000
 - Income earned in Australia and received there but brought to India Rs. 80,000
 - Dividend from domestic company Rs. 500
 - Interest on German Development Bonds Rs. 30,000 (1/3 received in India).
- Compute the Gross Total Income of Mr. Hariprasad, if he is :
- Resident
 - Not ordinarily resident
 - Non-resident.