



NS – 450

56
V Semester B.Com. Examination, November/December 2016
(Repeaters – 2014-15 & Onwards)

5.3 : INCOME TAX – I

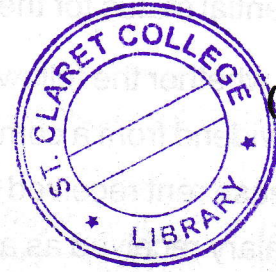
Time : 3 Hours

Max. Marks : 100

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

SECTION – A

Answer **any ten** questions. **Each** carries **two** marks.



(10×2=20)

1. a) Give the meaning of Total Income.
b) Who is not ordinarily resident ?
c) What is Gross Total Income ?
d) Mention 4 canons of Taxation.
e) What is the provision related to children education allowance ?
f) What do you mean by Transferred Balance ?
g) What is composite rent ?
h) What is unrealised rent and how do you treated when it is recovered ?
i) Give the meaning of annual value.
j) Who is "Assessee in default" ?
k) Give the meaning of salary for calculating gratuity covered and not covered.
l) What is Statutory Provident Fund ?

SECTION – B

Answer **any 4** questions. **Each** carries **8** marks.

(4×8=32)

2. Distinguish between capital receipts and revenue receipts.
3. Mr. Umashankar retired from service on 31-3-16. His pension was fixed at Rs. 28,000. He commutes one half of his pension and received 14,00,000. Find out the taxable amount of commuted pension, if
 - a) He is a Government Employee.
 - b) He is a Non-Government Employee if he received gratuity and
 - c) He is a Non-Government Employee, if he does not received gratuity.

P.T.O.



4. Ms. Bharathi reside in Mumbai. During the P.Y. 15-16 she get Rs. 2,40,000 p.a. as basic salary. She gets DA at 20% of basic salary (enters for retirement benefit). She has also received a commission of Rs. 45,000 (Calculated at 2% turnover achieved by her) H.R.A. received is Rs. 24,000 p.a. but rent paid is Rs. 40,000 p.a. Calculate the taxable HRA for the A.Y. 2016-17.
5. Mr. Krishna went to England for studies on 5th August 2015 and come back to India on 25 February 2016. He had never been out of India before. What is residential status for the A.Y. 2016-17 ?
6. State whether the following income are agricultural or non-agricultural incomes.
 - a) Dividend from a company in agriculture.
 - b) Lease rent received from land gives to tenants for agricultural operations.
 - c) Salary received as a partner from a tea company.
 - d) Sale of plant from nursery.
 - e) Income from self grown and trees.
 - f) Compensation received for acquisition of agricultural land for military purposes.
 - g) Income derived from land used as stone quarries.
 - h) Rent from H.P. situated in a village.

SECTION – C

Answer **any 3** questions. **Each** carries **16** marks.

(3×16=48)

7. Mr. Narasimha furnishes the following particulars of his income earned during the previous year 2015-16.
 - a) Profit from business in Nagpur ₹ 75,000
 - b) Income from agriculture in Sri Lanka ₹ 2,00,000
 - c) Income from property in London receive there ₹ 1,50,000
 - d) Interest on German Development Bonds ₹ 1,50,000 ($\frac{1}{3}$ received in India).
 - e) Income from business in U.K. controlled from Bangaluru ₹ 1,80,000 (₹ 80,000 received in India).
 - f) Dividend from Indian Co. ₹ 10,000
 - g) Profit on sale of building in Chennai received in Nepal ₹ 50,000.
 - h) Income from Agriculture in Mysore ₹ 1,00,000.
 - i) Profit on sale of plant at London ₹ 50,000 (50% received in India).



Repair expenses	1,000	—	4,000
Collection charges	2,000	500	—
<u>Interest on Loan</u>			
For construction	20,000	—	—
For daughter's marriage	—	6,000	—
For repair	—	—	2,000

Municipal tax is 10% of Municipal Value : Municipal Tax of House A was paid by owner. Municipal tax of house B was not paid till 31/3/16. Municipal Tax of House C was paid by tenant. House C remained vacant for 2 months.

10. Sri Krishna sales manager of Reliance Ltd. Mumbai has furnished the following details of his Income. Compute his taxable income from salary for the A.Y. 16-17.
- Basic salary ₹ 20,000 p.m.
 - D.A. ₹ 7,500 p.m. (forming part of salary)
 - Bonus equal to 3 months basic salary
 - Entertainment allowance Rs. 2,500 p.m.
 - Commission is 2% on sales. During the p.y. sales achieved by him is ₹ 4,00,000.
 - Children hostel allowance for his two children ₹ 400 per month per child.
 - Re-imbursement of medical bills ₹ 24,000 for the treatment taken in Pvt. nursing home.
 - He is provided rent free furnished accommodation owned by the company. Cost of furniture ₹ 1,50,000. FRV of that accommodation is ₹ 8,000 p.m.
 - Free telephone at his residence ₹ 3,500.
 - Company paid on behalf of Krishna Mediclaim Insurance ₹ 4,000 P.A, Employment tax ₹ 2,400 P.A. and Life Insurance Premium ₹ 1,500 P.A.



NS – 450

**V Semester B.Com. Examination, November/December 2016
(Repeaters – 2014-15 & Onwards)**

5.3 : INCOME TAX – I

Time : 3 Hours

Max. Marks :100

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

SECTION – A

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

1. a) Give the meaning of Total Income.
b) Who is not ordinarily resident ?
c) What is Gross Total Income ?
d) Mention 4 canons of Taxation.
e) What is the provision related to children education allowance ?
f) What do you mean by Transferred Balance ?
g) What is composite rent ?
h) What is unrealised rent and how do you treated when it is recovered ?
i) Give the meaning of annual value.
j) Who is "Assessee in default" ?
k) Give the meaning of salary for calculating gratuity covered and not covered.
l) What is Statutory Provident Fund ?

SECTION – B

Answer **any 4** questions. **Each** carries **8** marks. **(4×8=32)**

2. Distinguish between capital receipts and revenue receipts.
3. Mr. Umashankar retired from service on 31-3-16. His pension was fixed at Rs. 28,000. He commutes one half of his pension and received 14,00,000. Find out the taxable amount of commuted pension, if
 - a) He is a Government Employee.
 - b) He is a Non-Government Employee if he received gratuity and
 - c) He is a Non-Government Employee, if he does not received gratuity.

P.T.O.



4. Ms. Bharathi reside in Mumbai. During the P.Y. 15-16 she get Rs. 2,40,000 p.a. as basic salary. She gets DA at 20% of basic salary (enters for retirement benefit). She has also received a commission of Rs. 45,000 (Calculated at 2% turnover achieved by her) H.R.A. received is Rs. 24,000 p.a. but rent paid is Rs. 40,000 p.a. Calculate the taxable HRA for the A.Y. 2016-17.
5. Mr. Krishna went to England for studies on 5th August 2015 and come back to India on 25 February 2016. He had never been out of India before. What is residential status for the A.Y. 2016-17 ?
6. State whether the following income are agricultural or non-agricultural incomes.
 - a) Dividend from a company in agriculture.
 - b) Lease rent received from land gives to tenants for agricultural operations.
 - c) Salary received as a partner from a tea company.
 - d) Sale of plant from nursery.
 - e) Income from self grown and trees.
 - f) Compensation received for acquisition of agricultural land for military purposes.
 - g) Income derived from land used as stone quarries.
 - h) Rent from H.P. situated in a village.

SECTION – C

Answer **any 3** questions. **Each** carries **16** marks.

(3×16=48)

7. Mr. Narasimha furnishes the following particulars of his income earned during the previous year 2015-16.
 - a) Profit from business in Nagpur ₹ 75,000
 - b) Income from agriculture in Sri Lanka ₹ 2,00,000
 - c) Income from property in London receive there ₹ 1,50,000
 - d) Interest on German Development Bonds ₹ 1,50,000 ($\frac{1}{3}$ received in India).
 - e) Income from business in U.K. controlled from Bangaluru ₹ 1,80,000 (₹ 80,000 received in India).
 - f) Dividend from Indian Co. ₹ 10,000
 - g) Profit on sale of building in Chennai received in Nepal ₹ 50,000.
 - h) Income from Agriculture in Mysore ₹ 1,00,000.
 - i) Profit on sale of plant at London ₹ 50,000 (50% received in India).



- j) Rent from House property in London received there ₹ 20,000.
- k) Profit from business in Hublic received in Dharwad ₹ 25,000.
- l) Dividends from U.K. based company received in U.K. ₹ 37,000.

Compute his Gross Total Income for the A.Y. 2016-17. If he is

- a) Ordinary resident
 - b) Not ordinary resident
 - c) Non-resident.
8. Mr. Pramod is an employee of NWSK Ltd. Mysore. His particular of Income for the p.y. 15-16 as follows.

Basic salary ₹ 18,000 p.m., D.A. 40% of basic salary (50% of it forms part of salary for retirement benefit), H.R.A. 6,000 P.M. (rent paid ₹ 7,500 p.m.) Children education allowance ₹ 250 per month per child for 3 children, Helper Allowance ₹ 500 p.m. (Actual he spent ₹ 300 p.m.) Bonus ₹ 25,000, Leave encashment ₹ 20,000. Entertainment allowance ₹ 250 p.m.

Mr. Pramod has been provided with free use of a small car for both official and personal use. During the year the company re-imbursed ₹ 21,000 towards medical expenses incurred by him.

His contribution to R.P.F. is 14% of salary and the company also makes a matching contribution. Interest credited by the Co. on the accumulated balance of RPF A/c at 14% p.a. 21,000.

Professional tax paid by him ₹ 200 p.m. Compute Mr. Pramod Salary Income for the A.Y. 16-17.

9. Mr. Mohan is owner of 3 houses in Ramanagara.

Compute Income from House property for the A.Y. 2016-17.

Particulars	House A ₹	House B ₹	House C ₹
Fair rent	36,000	30,000	24,000
Municipal rent	30,000	40,000	20,000
Letout rent per month	4,000	3,000	5,000
Use by Tenant	Residential	Office	Residential
Construction started	30/5/10	1/1/10	31/3/07
Construction completed	1/4/13	1/6/13	31/3/08



Repair expenses	1,000	—	4,000
Collection charges	2,000	500	—
<u>Interest on Loan</u>			
For construction	20,000	—	—
For daughter's marriage	—	6,000	—
For repair	—	—	2,000

Municipal tax is 10% of Municipal Value : Municipal Tax of House A was paid by owner. Municipal tax of house B was not paid till 31/3/16. Municipal Tax of House C was paid by tenant. House C remained vacant for 2 months.

10. Sri Krishna sales manager of Reliance Ltd. Mumbai has furnished the following details of his Income. Compute his taxable income from salary for the A.Y. 16-17.

- Basic salary ₹ 20,000 p.m.
- D.A. ₹ 7,500 p.m. (forming part of salary)
- Bonus equal to 3 months basic salary
- Entertainment allowance Rs. 2,500 p.m.
- Commission is 2% on sales. During the p.y. sales achieved by him is ₹ 4,00,000.
- Children hostel allowance for his two children ₹ 400 per month per child.
- Re-imbursement of medical bills ₹ 24,000 for the treatment taken in Pvt. nursing home.
- He is provided rent free furnished accommodation owned by the company. Cost of furniture ₹ 1,50,000. FRV of that accommodation is ₹ 8,000 p.m.
- Free telephone at his residence ₹ 3,500.
- Company paid on behalf of Krishna Mediclaim Insurance ₹ 4,000 P.A, Employment tax ₹ 2,400 P.A. and Life Insurance Premium ₹ 1,500 P.A.