

Total No. of Pages: 3

6681

Register Number:

Name of the Candidate:

M.Com. DEGREE EXAMINATION, May 2015

(SECOND YEAR)

(GROUP – A)

230: DIRECT TAXES

**(New Regulations)
[Common with M.Com. A & F (NR)]**

Time: Three hours

Maximum: 100 marks

SECTION - A

Answer any FIVE questions

(5 × 8 = 40)

1. Who is an assessee? Who are the various types of assessee?
2. Who is a “Specified Employee”?
3. Mr. Kumar is owner of a house whose municipal valuations is ₹45,000p.a. $\frac{1}{3}$ portion of the house is let out to a tenant at ₹2,000 p.m. for residential purposes and the remaining $\frac{2}{3}$ portion is occupied by him for his own residence. The house is subject to municipal tax of ₹3,600p.a. which is unpaid. Interest on loan for the house works to ₹6,000 p.a. calculate income from house property.
4. Explain the various incomes that are taxable under the head income from business or profession.
5. Ms. Maya purchased 400 equity shares of ₹100 each in the year 1998-99. She has spent ₹100 towards brokerage for purchase of shares. In June 2002 she received 300 bonus shares. On 1st December 2012 she got 150 rights shares for ₹80 each. She sold 250 bonus shares and 150 rights share on 1st January 2013 @ of ₹125 per share. Calculate the taxable capital gain.(C.I.I) 1998-99,351 2002-2003 447 and 2012-2013 852.
6. How to treat unabsorbed depreciation?
7. Who can act as assessing officers and what powers they have?
8. What is meant by the term “Assets” under the Wealth – Tax act? Enumerate ten items which are not assets.

SECTION - B**Answer any THREE questions****(3 × 20 = 60)**

9. Explain agricultural income and the procedures regarding how it should be taxed.
10. From the particulars given below compute the salary income of Mrs. Valli for the year ending on 31.03.2013.

		₹
1.	Net salary received after deduction of the following	1,50,000
	Income tax deducted at source and own contribution to RPF	26,000
	Rent of residential house provided	4,000
2.	Profit bonus	24,000
3.	Entertainment allowance	12,000 p.a.
4.	She went on tour for official purposes and received travelling allowance	6,000
5.	She was ill and was treated in a notified hospital medical bills reimbursed	18,000
6.	She was provided with rent free house owned by the company at Partna [population 20 lakhs] company also provided a gardener to maintain this house salary of gardener paid by the company.	500 p.m.
7.	The electricity and water bill of the above house paid by the company	1,200 p.m
8.	She was provided with a car of 1.2 lt. Cc which was used partly for personal and partly for employment purposes.	
9.	The company contributed ₹24,000 towards RPF.	

11. Profit and loss account of M/s Raju & Company.

	₹		₹
General expenses	7,000	Gross profit	1,40,000
Fire insurance premium	2,000	Bad debts recovered but disallowed earlier	4,000
Bad debts	1,000	Interest from government securities	4,000
Salaries	65,000	Rent received from employees	12,000
Advertisement(in cash)	22,250	Interest from debtors for delayed payment	6,000
Proprietor's salary	12,500		
Interest on capital	2,000		
Income tax	1,000		
Depreciation	2,000		
Sales -tax (due)	5,000		
Advance income-tax paid	1,000		
Donations	500		
Motor car expenses	750		
Municipal taxes of quarters let to employees	5,000		
Net profit	39,000		
	1,66,000		1,66,000

General expenses include ₹4,000 paid as compensation to an old employee whose services were terminated in the interest of the business and ₹2,200 by way of help to a poor student. Depreciation calculated according to the rates comes to ₹2,900. Sales Tax was paid on 1.5.2013. Date of filing of return is 31.7.2013. 50% of motor car expenses are for proprietor's personal use compute business income.

12. The following are the particulars of income of an assessee as determined by the I.T.O for the assessment year 2013-14 compute his total income.

	Assessment year 2012-13 ₹	Assessment year 2013-14 ₹
Silver speculation loss (Discontinued)	10,000	--
Gold speculation profit	--	20,000
Hosiery business loss	6,000	2,000
Rolling steel mill profit (before charging depreciation of ₹10,000 each year)	8,000	6,000
Profit from another business	5,000	16,000
Income from house property.	2,000	2,000

13. What penalties are prescribed for the late filing of return of net wealth and concealment of wealth?

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