

(8)

(f) Interest on special Bearer Bonds 1991	8,000
During the year, he has made the following pay- ments :	
(i) Life Insurance Premium	25,000
(ii) Medical Insurance Premium	10,000
(iii) Group Life Insurance Premium	8,000
(iv) Purchase of National Savings Certificate	12,000
(v) Employment Tax	8,000
(vi) Donation to National Blood Transfusion Council	40,000
(vii) Interest on loan taken for higher education of daughter	20,000
Compute his taxable income for the Assess- ment year 2014-15 .	

A

(Printed Pages 8)

Roll No. _____

MS-3191

B.B.A. (I.B.) (Fourth Semester)

Examination, 2015

Taxation Law & Accounts

Time Allowed : Three Hours] [Maximum Marks : 70

Note : Question No.1 is compulsory and carries
30 marks. Select one question carrying
10 marks from each unit.

1. Answer the following questions in brief :

3×10=30

- Explain the term 'Assessee' as used in
Income-tax Act, 1961.
- Give the names of ten incomes fully ex-
empt from income-tax.
- What do you understand by 'Return of
Income'?
- What deduction is available under Sec-
tion 80GG of the Income-Tax act, 1961?
- How is House Rent Allowance treated for
income-tax purposes?

(2)

- (f) Distinguish between long-term and short-term capital gains.
- (g) What do you understand by 'Tax Free commercial securities'?
- (h) How is expenditure on 'Scientific Research' treated in computing income from business?
- (i) Explain the term 'Book Profit' in relation to the assessment of a partnership firm.
- (j) Mr. Ramesh is an officer of Tamilnadu Administrative services in the Payscale of ₹ 10,000-500-18,000 since 1st January, 2009. Calculate total basic salary for the Assessment year 2014-15 assuming that salary is due on first day of next month.

Unit - I

2. What is agricultural income? What are its types? Discuss such ten incomes which though connected with land are not agricultural incomes. 10
3. Explain the provisions of Income-Tax Act, 1961 with respect to the following : 5×2=10
- (i) Facility of Motor Car
- (ii) Provident Fund

MS-3191

(7)

He has been provided with the facility of an accommodation, fair rental value of which is ₹ 2,40,000 per annum. Furniture costing ₹ 80,000 is also installed. Accommodation and furniture are owned by the company ₹ 2,000 per month is deducted from salary on account of this facility. He has been provided with the facility of motor car for official and private purposes both. All the expenses relating to motor car including driver's salary are paid by the company. He contributes 10% of his salary to the recognised provident fund towards which company contributes ₹ 7500 per month.

He has following other incomes too :

(a) Interest on Post Office Savings bank account	8,000
(b) Interest on Saving Bank Account of a bank	25,000
(c) Income from letting out a land	12,000
(d) Dividend from Indian Company	10,000
(e) Accrued interest on National Savings Certificates	5,000

MS-3191

P.T.O.

(4)

5. From the following statement, compute the income from profession of Dr. D.K. Mittal if accounts are maintained on mercantile system :

Expenses	Rs.	Income	Rs.
To Dispensary rent	36,000	By Visiting fees	1,45,000
To Electricity and water charges	6,000	By Consultation fees	1,25,000
To Telephone expenses	6,000	By Sales of medicines	72,000
To salary to clinic staff	36,000	By Dividends	5,000
To depreciation on surgical equipments	6,000	By Interest	3,000
To purchase of medicines	39,000		
To Depreciation on X-ray Machine	4,000		
To Income-Tax	5,500		
To Donation	4,000		
To Motor Car expenses	9,600		
To Dep. on Car	4,800		
To Net Income	1,93,100		
	3,50,000		3,50,000

MS-3191

(5)

Notes :

- (i) Electricity and water charges include domestic bill of ` 2500.
- (ii) Half of motor car expenses are for professional use.
- (iii) Telephone expenses include 40% for personal use
- (iv) Opening stock of medicines was ` 6,000 and closing stock was ` 4,000.

Unit - III

6. Discuss the provisions of Income-tax Act, 1961, relating to set-off and carry forward of losses. 10
7. (a) Explain the exemption available under Section 54D of the Income-tax Act, 1961. 5×2
- (b) On 1-8-1977 Mr. Mohan purchased a plot for ` 40,000. The fair market value of the plot on 1.4.1981 was ` 80,000. On 1.3.2014 Mr. Mohan sold the plot for ` 15,00,000 and paid brokerage etc. @2% on sales consideration. Out of the sale consideration he invested ` 7,35,000 in the construction of a residential house which was completed before 30-6-2014.

MS-3191

P.T.O.

(6)

Compute the taxable amount of capital gain of Mr. Mohan for the A.Y. 2014-15 assuming that he does not own any other residential house. Cost inflation index is 1981-82-100 and 2013-14-939.

Unit - IV

8. Write notes on any two of the following :

5 × 2 = 10

- (a) Permanent Account Number (PAN)
- (b) Best Judgement Assessment
- (c) Central Board of Direct Taxes

9. Mr. Rajeev Bhushan, the Manager of Western India Ltd. Delhi, has furnished the following details of his income for the year ended 31st March, 2014 :

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Basic salary ` 50,000 per month.
Dearness Allowance (40% under terms of employment) ` 10,000 per month.
Entertainment Allowance ` 5,000 per month.
Bonus ` 48,000.
Education Allowance for one Child ` 1,000 per month.
Medical Allowance ` 5,000 per month.
Arrears of Salary ` 70,000.

MS-3191

(3)

Unit - II

4. Mr. Ramesh owns a big house the construction of which was completed in May, 2010. 50% of the floor area is let out for residential purposes on a monthly rent of ` 22,500. 25% of the floor area is used by the owner for the purpose of his profession, while remaining 25% of the floor area is utilised for the purpose of his residence. Other particulars of the house are as follows :

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Municipal valuation	6,00,000
Standard Rent	9,00,000
Municipal Taxes paid	80,000
Repairs	30,000
Interest on loan taken for construction of house property	2,40,000
Ground Rent	12,000
Annual charge	20,000
Fire Insurance Premium	15,000

Compute the taxable income from house property of Mr. Ramesh for the Assessment year 2014-15.

MS-3191

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