

Revision Paper (2016-17)

Class-B.Com-III

Sub: Income Tax

Paper-I

Time: 3 Hours

Maximum Marks: 80

Note: Attempt five questions in all, selecting at least one question but not more than two questions from any unit. All questions carry equal marks.

Unit-I

1. What do you mean by agriculture income? Explain the necessary provisions relating to it.
2. How is residence of assessee determined for income tax purposes? Explain the incidence of residence on tax liability.
3. The following are the income of Mr. Mohan for the assessment year 2015-16:-

- | | |
|---|--------|
| (a) Dividend (gross) from an Indian company | 40,000 |
| received in England and spent there | |
| (b) Profit from business in China received in India | 15,000 |
| (c) Gross interest on debentures of an Indian | 20,000 |
| company received in Japan | |
| (d) Profit from business in Australia deposited | 25,000 |
| in a bank there. The business is controlled from India. | |
| (e) Profit from business in Delhi | 15,000 |

(Controlled by Japan Head Office)

- (f) Income was earned in Japan and received there 8,000
but brought in India for business carried on in India.
- (g) Interest received from a non-resident Mr. Sohan, 10,000
on the loan provided.
- (h) Share of Income from Indian partnership firm 18,000
- (j) Income from house property in India 25,000
received in Japan.

Compute his income if he is

- (i) Resident
- (ii) Non-ordinary resident
- (iii) Non-resident

4. Mr. Mohan owns two houses at Delhi. Compute his income from house property for the Assessment yr 2015-16

	House I	House II
	Rs	Rs
F.R.V	36,000 P.a	1,20,000 P.a
Actual Rent	4,000 P.M	12,000 P.M

Municipal Rent value	40,000 P.a	1,30,000 P.a
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Standard Rent	38,000 P.a	N.A
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Municipal tax 10% of MRV Plus 2% of municipal tax as sewerage cess (Both houses).

Actual repair expenses	4,000	12,000
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Ground Rent	2,000	2,500
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Interest on Loan	12,000	48,000
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Vacancy Period	3 Months	-
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Bonafide Unrealised rent of-

Current year	36,000
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Construction of House II started on 1st November, 2009 and he borrowed Rs 40,000 @ 12% P.a on 1st July, 2010 for the completion of construction. The house was completed on 30th November, 2012 and since then it is let out.

UNIT-II

5. Write short notes on:-

(a) Preliminary Expenses.

(b) Cost of acquisition of capital asset.

6. Mr Singh and Jain is a firm of CA in which Singh, Jain and Narayan are working partner, sharing profits and losses in the ration of 2:1:1. The firm showed a net surplus of Rs 60,000 for the year ended 31st March, 2015. Following items are found debited in the Income and expenditure Account of the firm:-

I. Salary of Jain Rs 7000

Salary of Narayan Rs 9800

II. Commission to Singh Rs 6000

Commission to Narayan Rs 4800

III. Customs Penalty paid Rs 3000

IV. Rent of Rs 3,600 paid to Jain in respect of the house let out by him to the firm.

Complete the total income of the firms for the Assessments year 2015-16.

7. What do you mean by the term 'Capital Gains' used in the Income Tax Act? What are the rule regarding exemption of capital gains?

Unit III

8. Explain the provisions regarding set off and carry forward of losses while computing the taxable income of an individual.

9. Explain the provisions regarding penalties under the Income Tax Act.

10. Write short note on the following:-

(a) Permanent Account Number.

(b) Recovery of Tax.