

Revision Paper (2015-16)
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. Define the following:
 - (a) Assessee
 - (b) Casual Income
 - (c) Tax Evasion and Tax Avoidance
 - (d) Tax Planning
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 2014-15:-

(a) Dividend (gross) from an Indian company received in England and spent there	40,000
(b) Profit from business in China received in India	15,000
(c) Gross interest on debentures of an Indian company received in Japan	20,000
(d) Profit from business in Australia deposited in a bank there. The business is controlled from India.	25,000
(e) Profit from business in Delhi (Controlled by Japan Head Office)	15,000
(f) Income was earned in Japan and received there but brought in India for business carried on in India.	8,000
(g) Interest received from a non-resident Mr, Sohan, on the loan provided.	10,000
(h) Share of Income from Indian partnership firm	18,000
(j) Income from house property in India received in Japan.	25,000

Complete his income if he is

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

4. Mr. Mohan owns two houses at Delhi. Complete his income from house property for the Assessment yr 2014-15

	House I Rs	House II 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
Standard Rent	38,000 P.a	N.A

Municipal tax 10% of MRV Plus 2% of municipal tax as sewerage cess (Both houses).

Actual repair expenses	4,000	12,000
Ground Rent	2,000	2,500
Interest on Loan	12,000	48,000
Vacancy Period	3 Months	-
Bonafide Unrealised rent of Current year	-	36,000

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:-

- Preliminary Expenses.
- 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 ratio of 2:1:1. The firm showed a net surplus of Rs 60,000 for the year ended 31st March, 2014. 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 2014-15.

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?

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.