

**Exam. Code : 108506**

**Subject Code : 2883**

**B.Com. 6th Semester**

**DIRECT TAX LAWS**

**—BCG-604**

Time Allowed—3 Hours] [Maximum Marks—50

**SECTION—A**

**Note :—**Attempt any **ten** parts. Each part carries 1 mark.

- I. (i) What is 'Previous year salaries' ?
- (ii) Who is 'representative assessee' ?
- (iii) What is 'gross total income' ?
- (iv) What is 'provident fund' ?
- (v) What is 'additional depreciation' ?
- (vi) What do you mean by 'foreign income' ?

- (vii) What is 'leave encasement' ?
- (viii) What is 'municipal rental value' in case of house property ?
- (ix) What do you mean by 'short term capital assets' ?
- (x) What are 'tax free securities' ?
- (xi) What is 'cash system of accounting' ?
- (xii) What is 'gratuity' ?
- 10x 1=10

### SECTION—B

**Note :—**Attempt any **two** questions. Each question carries **10** marks.

- II. "The general rule is that the income of the previous year alone should be taxed in the immediately following assessment year". Explain the exceptions to this rule.
- III. Define 'agricultural income'. Explain the partly agriculture and partly business income.

IV. Mr. Rajinder, a Central Govt. employee, is working at Chandigarh. For the year ending 31-3-2016, he furnished the following particulars of his income :

- (i) Pay Rs. 12,500 p.m.
- (ii) Dearness Allowance @ Rs. 4,000 p.m. (out of this Rs. 2,000 p.m. enters into pay for service benefits).
- (iii) Advance salary Rs. 16,400.
- (iv) Salary in lieu of leave Rs. 12,500.
- (v) Lunch allowance @ Rs. 2,000 p.m.
- (vi) Bonus Rs. 15,000
- (vii) Employer's contribution to Recognised Provident Fund @ 15 % (each) of salary.
- (viii) Arrears of D.A. Rs. 4,000.
- (ix) Conveyance allowance received during the year Rs. 24,000 and he has incurred an expenditure of Rs. 18,000 during the year on conveyance.
- (x) House Rent Allowance 20 % of salary. He pays rent of Rs. 2,500 p.m.
- (xi) Entertainment allowance @ Rs. 500 p.m.

Compute his salary income.

- V. Mr. Singh draws a salary of Rs. 5,000 p.m. He owns two houses ; one whose municipal valuation is Rs. 3,000 is occupied by him for his own residence and other whose municipal valuation is Rs. 2,500, is let out at Rs. 250 p.m. The expenses in respect of both houses are :

<b>Particulars</b>	<b>1st House (occupied for own residence) Rs.</b>	<b>2nd House (let out) Rs.</b>
Municipal taxes	300	300
Land revenue	150	200
Interest on loan for reconstruction of the houses	300	400
Fire insurance premium	200	200
Interest on mortgage	—	500
Rent collection charges	—	200

The second house remained vacant for two months.  
His income from other sources is Rs. 5,000. Compute  
his total income.

2x10=20

### SECTION—C

**Note :—**Attempt any two questions. Each question carries  
10 marks.

- VI. State briefly the various provisions given under the Income Tax Act. relating to deduction of tax at source.
- VII. Define the term 'dividend' as given in Section 2 (22) of the Income Tax Act. 1961. Explain the various items of deductions allowable in computing the income from other sources.
- VIII. Mr. X sold a plot on July 10, 2015 (C.I.I. : 1081) for Rs. 6,05,000 ; Cost of acquisition on June 15, 1987 (C.I.I. : 150) Rs. 60,000 ; Selling expenses amounted to Rs. 5,000. On August 10, 2015, he makes the following investments : Purchase of National Highway Authority of India Bonds notified u/s 54 EC Rs. 1,00,000 and invests Rs. 3,50,000 in a residential house at Delhi on

July 10, 2015. He does not own any residential house. Determine his taxable capital gain for the assessment year 2016-17.

IX. Mr. Basu is in service in Calcutta (population above 25 lakhs) drawing a monthly salary of Rs. 15,000 p.m. He is also provided with a rent free unfurnished flat, for which employer pays a rent of Rs. 2,500 p.m. He contributes 10 % of his salary to a recognised provident fund. The interest @ 8 % on his provident fund account for the year ended 31-3-2016 amounted to Rs. 2,500. He is also the owner of a house which is let out at a monthly rent of Rs. 2,500. His expenses for the house were :

- (i) Municipal Taxes Rs. 3,000
- (ii) Interest on loan for the construction of the house Rs. 6,600.
- (iii) Repairs Rs. 500

He has also received interest on the Govt. Securities amounting to Rs. 14,000 (gross).

He has also received a share from a firm assessed as a firm of Rs. 5,000. He has paid life insurance premium for a policy on his own life Rs. 700. He paid Rs. 200 to P.M. National Relief Fund.

Compute the Taxable Income for the assessment year 2016-17. 2x10=20