

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2015 – 2016 and thereafter)
SUBJECT CODE: 15CM/ME/BT55

B.Com. (C.S)DEGREE EXAMINATION NOVEMBER 2019
CORPORATE SECRETARYSHIP
FIFTH SEMESTER

COURSE : MAJOR – ELECTIVE
PAPER : BUSINESS TAXATION
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A

Answer ALL questions

(10 x 2 =20 marks)

1. Define an Assessee.
2. What do you mean by previous year?
3. What are the provisions for claiming HRA exemption?
4. Who is a resident but not ordinarily a resident?
5. List out the Exempted House Property Income.
6. Mr. Annamalai was born in India in the year 1984. From 2004 to 2014 he was in New York, from 2015 to 31st March 2018 he was in Korea. On 1st April 2018 he came to India and till date he is staying here. Determine his residential status for the assessment year 2019-20.
7. Mr. Abu is an employee of a private company. He is given with a car (1.5 litres) to be used both for office and private purposes. The car's expenses worth Rs.76,000/- included driver's salary of Rs.30,000/- was paid by the company. Mr. Abu pays Rs.600/- per month to the company for using the car for private purposes. Find the value of car facility.
8. From the following information, Calculate Gross Annual Value of the house property:

Municipal Rental Value (MV)	Rs. 2,00,000
Fair Rental Value (FRV)	Rs. 1,87,500
Standard Rent (as per the Rent Control Act)	Rs. 1,87,500
9. An agricultural land situated in Madurai purchased in 1996-97 for Rs.1,13,200/- was sold on 31st July 2018 of the previous year for Rs.6,00,000/-. Another piece of land was purchased on 12th November 2018 for Rs.2,40,000. Calculate the taxable capital gain for the assessment year 2019-20. (CII:2001-02=100, 2018 – 2019 = 280).
10. Mr. Arun received interest of Rs.27,000/- from his investment on less-tax commercial securities. Calculate his taxable interest on securities:
 - (a) If the security is listed.
 - (b) If the security is not listed.

SECTION B

Answer any FIVE questions.

(5 x 8 =40 marks)

11. Define a person under Section 2(31).
12. List out the fully taxable allowances under the head Income from Salary.
13. Explain the concept of profits in lieu of salary.

14. From the following details of Mrs. Anuradha, compute the total taxable income if she is a resident and ordinarily a resident, resident but not ordinarily a resident and a non-resident:
- Dividend from an Indian company: Rs.50,000/-
 - Dividend from a foreign company: Rs. 75,000/-, received in India
 - Income from business in California but controlled from India: Rs.1,00,000
 - Income from business in Netherland but controlled from Dhaka: Rs.2,50,000
 - Income accrued in Italy: Rs.1,25,000, 2/5th received in India.
15. Mr. Atal is an employee in Chennai of gets the following emoluments:

Details of Salary Income	Amount (Rs.)
Basic Salary	16,000 per month
Dearness allowance forming part of salary	12,000 per month
Bonus	20,000
City Compensatory Allowance	4,000 per month
Conveyance Allowance	1,000 per month (actual expenditure incurred by him is Rs.8,000)

He is provided with a rent-free unfurnished accommodation.

Calculate the taxable value of rent-free unfurnished accommodation on the assumption that population is 30 lakhs.

16. Mr. Arul retired from ACA Ltd. On 3rd June 2018, he gets pension of Rs.2,000 p.m. up to 31st December 2018. On 1st January 2019 he gets 40% of pension commuted for Rs.26,400. Calculate the taxable pension. What difference will it make if he gets Rs.22,500/- as gratuity along with pension.
17. From the following profit and loss a/c, calculate the taxable income from business of Mr. Anand for the assessment year 2019-20:

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To Rent	80,000	By Gross Profit	5,00,000
To Salary to Employees	50,000	By House Property Income	3,00,000
To Depreciation	20,000	By Income from Other Sources	4,00,000
To Donation	16,000		
To Net Profit	10,34,000		
	12,00,000		12,00,000

SECTION C

Answer any TWO questions.

(2 x 20 =40marks)

18. Discuss the provisions relating to expressly allowed deduction under the head income from business or profession u/s 30 to 36.

19. Ms. Sindha is a software engineer employed in a company at Mumbai. Following are the details of her Salary.

- Salary at Rs. 20,000 p.m., DA at Rs.5,000 p.m. The company provided her a laptop for personal use, the cost of which is Rs.35,000.
 - The company sold her a washing machine for Rs.20,000, cost of which was Rs.30,000.
 - Travelling expenses abroad Rs.40,000 are borne by the company.
 - The employer contributed Rs.10,000 towards Unit Linked Insurance Plan.
 - She is provided with rent-free furnished quarters in Mumbai valued at Rs.5,000 p.m. and furniture and fittings valued at Rs.15,000 (The population of Mumbai is 1.5 crore)
 - Special marriage gift given to the employee Rs.40,000.
 - Planning allowance Rs.500 p.m.
 - Medical expenses paid by the company Rs.10,000.
 - Medical allowance at Rs.1,250 p.m.
 - The company has provided a big car for her personal use and the expenditure incurred by the company on the car during the year is Rs.60,000. The cost of the car is Rs.9,00,000.
 - During this year, she paid professional tax at Rs.200 p.m.
 - Assume that the salary is due on the last day of every month.
- Compute her salary income for the assessment year 2019-20.

20. Mr. A holds the following securities on 1st April 2018:

- Rs.20,000 6.5% Central Government Loan (date of payment of interest: 10th July every year)
- Rs.80,000 8% debentures (non-listed) of ABC Ltd (dates of payment of interest: 15th May and 15th November every year)
- Rs.20,000 9% Relief Bonds (tax-free)

Apart from the aforementioned securities, A invests in (non-listed) MP Government Loan, Jharhand Government Loan and debentures of XYZ Ltd. (non-listed) on 30th June 2018 and received Rs.8,000/-, Rs.16,000/- and Rs.36,000/- respectively, as interest on 31st December 2018. His rental (taxable) income is Rs.23,04,000/-. He pays 2% commission to bank for collecting interest (net) on securities. Determine the taxable income of Mr. A for the assessment year 2019-20.

21. From the following details submitted by Mr.Asin, calculate the total taxable capital gain for the assessment year 2019-20, if CII for 2009-10 is 148 and 2018-19 is 280, on the assumption that he has purchased a house for Rs.14,00,000/- on 12th March 2019.

Particulars	Gold	Shares
Sales Price	20,00,000	12,00,000
Expenses on transfer	40,000	3,20,000
Cost of acquisition	3,00,000	1,00,000
Year of acquisition	1998-99	2009-10
