

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011-2012)

SUBJECT CODE: 11CM/MC/BT64

B.Com.(CS) DEGREE EXAMINATION APRIL 2014
CORPORATE SECRETARYSHIP
SIXTH SEMESTER

COURSE : MAJOR CORE
PAPER : BUSINESS TAXATION
TIME : 3 HOURS **MAX. MARKS : 100**

SECTION – A

ANSWER ALL QUESTIONS IN 50 WORDS: (10 x3 = 30)

1. Define (a) Previous year, (b) Person.
2. Who is a Non-Resident?
3. What are the kinds of Capital assets?
4. What is VAT?
5. What are the types of Excise duty?
6. Calculate taxable H.R.A:
H.R.A. received - Rs. 2000 p.m.
Rent paid - Rs. 3000 p.m.
Salary - Rs. 20,000 p.m.
D.A - Rs. 1,000 p.m. [50% enters into pay for service benefits]
7. Calculate G.A.V:
MRV – Rs. 60,000; FRV – Rs. 65,000; Standard Rent – Rs. 59,500;
Actual Rent Received – Rs. 72,000; Loss due to Vacancy – Rs. 6,000.
8. An asset was purchased in the year 2003-04 for Rs. 3,04,600. During the Previous year 2012 – 13, it was sold for Rs. 7, 00,000. Expenses on transfer – Rs. 1,000. Calculate taxable capital gain. [C11-2003 -04 → 463; 2012-12 → 852].
9. Compute Gross Total income from the following details:-

	Rs.
Speculation	50,000
Non-speculation business loss	60,000
Short term capital gain	50,000
Long term capital loss	40,000

10. Mr. A. earns a Gross Total income of Rs. 12, 50,000 during the Py2012-13. Compute his tax liability.

SECTION – B

ANSWER ANY FIVE QUESTIONS: (5 x 8 = 40)

11. How will you ascertain the residential status of an individual?
12. Explain the provisions relating to set off of losses.

13. What are the exemptions from Customs Duty?
 14. Mr. X. is a Government employee working in Bangalore. From the following particulars, compute his salary income.

	Rs.
Basic Salary	25,000 p.m.
Dearness allowance	1,000 p.m.
Education allowance	200 p.m.
	(per child for 3 children)
Hostel allowance	500 p.m.
	(for 1 child)
Entertainment allowance	2,000 p.m.
Medical allowance	150 p.m.

15. From the following particulars, compute income from house property:

	House I (Self-occupied)	House II (Let-out)
MRV	50,000	60,000
FRV	60,000	65,000
Actual Rent Received	75,000	80,000
Municipal tax paid by owner	500	600
Municipal tax paid by tenant	--	200
Repairs	300	400
Interest on loan for construction	5,000	2,000

16. Mr. B. purchased a house in Chennai in 1975 for Rs. 1, 00,000. He added 2 rooms at a cost of Rs. 30,000 in 1978. In June 1985, he gifts the house to his son; Mr. S. Mr. S. made further improvements in the house and added a room at a cost of Rs. 50,000 in December 1986. Mr. S. sells the house on 1st August 2012 for Rs. 50, 00,000 (brokerage paid by Mr. S. Rs. 6,500). Find out the capital gain if the F.M.V. of the house on 1st April 1981 is Rs. 2, 00,000. [C11 for 1981-82 = 100; for 1985-86 = 133; 1986-87 = 140; 2012-13 = 852].
17. Mr. A's gross total income for the previous year us Rs. 8, 00,000. He made the following payments:-

	Rs.
Contribution to PPF	10,000
Contribution towards pension fund	15,000
Payment of medical insurance premium by cheque on own life	16,000
Repayment of interest on loan taken for higher education	6,000
Donation to National Children's Fund	20,000

Compute his total income.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. From the following details of income of Ms. Sheela, Compute her total income, if she is a) Ordinary resident, b) Not ordinary resident and c) Non- Resident.

1. Salary received in India, Rs. 20,000.
2. Salary received in Mumbai for services rendered in Singapore, Rs. 15,000.
3. Income from house property in Srilanka, Rs. 8,000.
4. Dividend paid by an Indian Company received in London, Rs.2, 500.
5. Agriculture income from Punjab – Rs. 10,000.
6. Pension from former employer in India, received in U.S.A, Rs.20, 000.
7. Income from business in Nepal controlled from Mumbai, Rs. 45,000.
8. Income from business in Bangalore, Rs. 22,000.
9. Income received in Pakistan from bank deposit, Rs. 5,000.
10. Income from business in U.K., received there and brought to India – Rs. 9,500.

19. Compute the taxable salary of Mr. Ashok, of Madurai, for the AY2013 -14 :-

- Basic Pay – Rs. 8,000 p.m.
- Dearness Allowance – Rs. 2,000 p.m. (enters into retirement benefits).
- Bonus - Rs. 8,000 p.a.
- Contribution to R.P.F = 15% of salary.
- Employer's contribution to R.P.F = Rs. 15,000 p.a.
- Interest credited to R.P.F. at 10.5% p.a. amounted to Rs. 1,900.
- Rent Free Accommodation is provided by the employer at Madurai, (population = 18 lakhs) the F.R.V. of which is Rs. 10,000 p.a. The cost of furniture provided is Rs. 20,000. He is provided with a car (18H.P) for official and personal purposes. Driver is also provided by the employer.
- He paid Rs. 2,150 as professional tax.

20. Compute business income from the following Profit and Loss A/C.

Particulars	Rs.	Particulars	Rs.
To general expenses	10,000	By Gross Profit	1,40,000
To fire insurance premium	8,000	By bad debts recovered (disallowed earlier)	10,000
To Salary	30,000	By interest on Securities	5,000
To advertisement (cash)	25,000	By rent from house property	10,000
To proprietor's salary	20,000	By long term capital gain	10,000
To interest on Capital	5,000		
To income-tax	10,000		
To sales-tax	5,000		
To Donation	10,000		
To Car expenses	2,000		
To Net Profit	50,000		
	1,75,000		1,75,000

General expenses include Rs. 1,000 for drawings. 50% of fire insurance premium is for house property. Car was used 50% for personal purpose.

21. From the following details of income, compute income from other sources of Mr. Pratap for the PY 2012-13.

	Rs.
Interest from bank deposit	1,500
Royalty from writing book [expenditure on writing incurred, Rs. 1,000]	12,500
Winnings from lottery (net)	74,000
Director's fees	500
Family Pension received	21,000
Income from horse race	6,000
Dividends from co-op. society	650
Undisclosed income	8,000
Cash gift from friend	26,000
Interest from listed commercial securities	7,200
Interest on Government securities	9,200
Ground rent	1,000
Interest from Post-office savings bank	750
Income from letting out Plant & Machinery	4,500
Repairs & depreciation on Plant & Machinery	400

▲▲▲▲▲▲▲▲▲▲