

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

SUBJECT CODE: 11CM/MC/BT64

B.Com.(CS) DEGREE EXAMINATION APRIL 2015
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. What is total income?
2. What is commutation of pension?
3. What is deduction under section 80D?
4. What are the due dates for filing of returns?
5. What are the objectives of Customs Act?
6. Mr. A received Rs.18, 000 as children education allowance and Rs. 20,000 as hostel expenditure allowance for three of his children. Calculate the taxable amount of allowance.
7. Calculate G.A.V: Municipal Rental Value Rs.96, 000. Fair Rental Value Rs.1, 16,000. Annual Rent Rs.1, 18,000. Standard rent Rs. 1, 15,000. Loss due to vacancy Rs. 8,000.
8. A land is purchased by Mr.X in the year 1986-87 for Rs.80, 000, purchase expenses incurred being, Rs.5000. The land is sold by him in Oct 2013 for Rs.6, 00,000 (selling expenses, Rs.10, 000).Compute taxable capital gain. (CII 1986-87=140, 2013-14=939)
9. Compute income from other sources: a) interest on bank deposits Rs. 10,000. b) family pension received Rs.18,000. c) interim dividend from Reliance industries Rs.6,000.
10. Mr. B earns a gross total income of Rs.7, 50,000 during the previous year, 2013-14. Compute his tax liability.

SECTION – B

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

11. Explain the objectives of tax planning.
12. What is Permanent Account Number? Explain its importance.
13. What are the merits of indirect taxes?
14. From the following particulars of M, Compute his income from salary.

	Rs.
Net Salary (tax deducted at source Rs10, 000 and own contribution to RPF Rs.10,000)	1,40,000
Employer's contribution to RPF	10,000
Interest credited to RPF account @15.5%	3,300

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Entertainment allowance (p.m)	1000
House rent allowance (rent paid by him in Chennai, Rs.600p.m)	750p.m
Professional tax paid	1500

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

	House1 (SO-Residence)	House2 (Let out)	House3 (own business)
MRV	60,000	6,500	3,000
Rent received	-----	500p.m	-----
Municipal tax	12,000	500	600
Repairs	1000	400	800
Interest on house loan	75,000	-----	-----

16. From the following information, compute capital gain.

	Rs.
Cost of acquisition (May 1977)	1, 90,000
Cost of additional construction in 1980	10,000
Fair Market Value on 1 st April 1981	1, 75,000
Cost of additional construction in 1994-95	48,800
Sale consideration in Dec 2013	28, 00,000
Advance forfeited and retained	10,000
CII : 1981-82=100, 1994-95=259, 2013-14= 939.	

17. From the following particulars, compute gross total income:

	Rs.
Loss from house property	32,000
Income from royalty	10,000
Business income	50,000
Speculation loss	3,000
Short term capital loss	10,000
Long term capital gain	15,000

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. From the following particulars relating to the income of Mr. Manoj, compute his gross total income, if he is a) a resident b) a not ordinarily resident c) a non-resident.

- Salary received in USA for serviced rendered in India, Rs.15, 000.
- Rent from house property in UK, received there and remitted to India, Rs.2, 00,000.
- Profits from business in Mumbai, controlled from Singapore, Rs.25, 000.
- Profits from business in Australia, controlled from Chennai, Rs.40, 000.
- Income from agriculture in Punjab, Rs.20, 000.
- Pension from employer in India, received in USA, Rs.10, 000.
- Royalty received from government of India, Rs.35, 000.
- Income from house property in Bangalore, Rs.25, 000.
- Dividends received from an Indian company, Rs.5000.
- Past untaxed profits brought to India, Rs.6000.

19. Mr.N. working in Nagpur (population 18lakhs), provides the following particulars of his salary income:

	Rs.
1) Basic salary	12,000 p.m.
2) Profit bonus	12,000
3) Commission on turnover	42,000
4) Medical allowance	2,000p.m
5) Club facility	6,000
6) Transport allowance	1,000p.m.
7) RFA provided by employer, lease rent paid by employer	6,000p.m.
8) Free services of watchman	7,200
9) Gas, electricity bills issued in the name of employee, but paid by employer	16,800
10) Reimbursement of medical expenses	10,000

Compute Income from salary.

20. Following is the Profit and Loss Account of M/S Agar & Co.

Particulars	Rs.	Particulars	Rs.
To general expenses	9,000	By gross profit	1, 47,000
To bad debts	1,000	By bad debts recovered (disallowed earlier)	4,000
To salaries	65,000	By interest from securities	4,000
To advertisement (cash)	22,250	By discount received	6,000
To proprietor's salary	12,500		
To interest on capital	2,000		
To income tax	1,000		
To depreciation	2,000		
To advance income tax paid	1,000		
To donation	5,500		
To motor car expenses	750		
To net profit	39,000		
	-----		-----
	1, 61,000		1, 61,000

General expenses include Rs.2, 200 to help poor students. Depreciation calculated according to IT rules is Rs.2, 900. 50% of motor car expenses are for proprietor's personal use. Compute business income.

21. From the following particulars, compute income from other sources of Mr.C for the AY2014-15.

	Rs.
1. Director's fees	10,000
2. Winnings from lottery (net)	49,000
3. Cash gift from father	60,000
4. Interest from listed commercial securities	8,100
5. Interest from post-office savings bank	5,000
6. Income from royalty (expenses incurred, Rs2, 000)	18,000
7. Dividends from co-operative society	5,500

8. ground rent	1,000
9. Income from undisclosed sources	20,000
10. Winnings from horse race (gross)	8,000
11. Dividend on preference shares (collection charges, Rs.100)	6,600
12. Income from sub-letting	500p.m.
13. Interest on MP Government securities	1,100
14. Income from letting out building with plant& machinery	5,000
15. Depreciation on plant & machinery	725

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