

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

**SUBJECT CODE: 11CM/PC/BT34**

**M.Com. DEGREE EXAMINATION NOVEMBER 2015**  
**COMMERCE**  
**THIRD SEMESTER**

**COURSE : MAJOR CORE**  
**PAPER : BUSINESS TAXATION**  
**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**I. ANSWER ALL QUESTIONS: (10 x 2 = 20)**

1. What is total income?
2. Enumerate any four fully taxable allowances.
3. What is casual income?
4. What are the due dates for filing of returns by an individual?
5. What is service tax?
6. Mr. X is an ordinary resident in India for the past 15 years. He is Kartha of a HUF which was wholly controlled from USA during the previous year 2014-15. Determine the residential status of the HUF.
7. Compute taxable employer contribution to RPF: Basic salary: Rs.5, 000 p.m.  
DA: Rs.1000p.m. (Rs.500 p.m. enters into service benefits). Employer's contribution: Rs.800 p.m.
8. Compute GAV: MRV-Rs.30, 000, ARR-Rs.40, 000, FRV- Rs.36, 000,  
SR- Rs.30, 000, Unrealised rent- Rs.4, 000.
9. Compute capital gain: Furniture purchased on 1-6-2008 for Rs.4, 00,000 is sold for Rs.3, 00,000 on 20-7-2014. WDV on 1-4-2014 is Rs.2, 36,196. (CII 2008-09:582, 2014-15:1024).
10. Mr. A paid Rs.25, 000 (Rs.18, 000 by cheque and Rs.7, 000 by cash) towards mediclaim policy. What is the deduction allowed Under sec.80D?

**SECTION – B**

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

11. How will you ascertain the residential status of an individual?
12. What are capital gains? What are the kinds of capital gains?
13. What are the powers of CBDT?
14. Distinguish between customs duty and excise duty.

15. The following are the incomes of Ms. Anu for the previous year 2014-15.

	Rs.
a. Salary for services in TVS Co.Ltd., Chennai.	10,000
b. Share of profit from a firm in Mumbai.	4,000
c. Pension received in Nepal for services rendered in Bangalore.	15,000
d. Income from agriculture in India	6,500
e. Dividend received from a foreign company in USA	2,500
f. Profits from business in USA, controlled from India (50% of profits being received in India)	25,000
g. Past untaxed profits from UK, brought into India during PY2014-15	8,000

Compute the Gross Total Income of Ms. Anu, if she is A) A resident  
B) A not-ordinarily resident and C) A non-resident.

16. From the following particulars, calculate the salary income of Mr. Pankaj, a Government employee working in Mumbai, for the PY2014-15.

	Rs.
Salary	8,000 p.m.
D.A. (40% is considered for retirement benefits)	2,000 p.m.
Bonus	8,000 p.a.
Commission	4,500 p.a.
Entertainment allowance	500 p.m.
FRV of house provided by employer	40,000 p.a.
Value of furniture provided	20,000
Professional tax of Pankaj, paid by his employer	2,100.

17. Mr. Z let out his house. Compute income from house property:

	Rs.
Fair rental value	36,000
Actual rent received	4,000 p.m.
Municipal rental value	40,000
Standard rent	38,000
Municipal tax	10%
Actual repair expenses	5000
Interest on loan for reconstruction	12,000
Vacancy period	3 months.

18. Calculate the tax liability of Mr. J.

	Rs.
Income from salary	2, 00,000
Short term capital gain	50,000
Long term capital gain	1, 00,000
Income from business	2, 00,000
Contribution to PPF	10,000

## SECTION – C

## II. ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

19. Explain the provisions regarding set-off and carry forward of losses.

20. Explain the merits and demerits of indirect taxes.

21. From the following particulars of income of Mr. R, compute his income from other sources:

	Rs.
a) Director's fees	1000
b) Income from letting out plant and machinery (Expenses claimed: repairs Rs.5000; insurance Rs.500)	15,000
c) Royalty on book written by him (He claimed Rs.500 as expenses for typing manuscript)	10,000
d) By giving lectures in functions	3,000
e) Interest on loan given to a relative	6,000
f) Interest on government securities	10,000
g) Gift received from friend	55,000
h) Gift received from father	60,000
i) Amount won from crossword puzzles	4,000
j) Family pension received	5,000 p.m.

22. Mr. D is a Chartered Accountant in Bangalore. He has submitted the following particulars for the year 2014-15. Compute his Income from Profession for the assessment year 2015-16.

Expenses	Rs.	Income	Rs.
To office rent	33,000	By audit fees	3, 00,000
To staff salary	75,000	By financial consultancy services	60,000
To charities	5,000	By interest on deposits in bank	22,000
To gifts to relatives	6,000	By dividend on units of UTI	6,000
To subscription to journal	2,400	By accountancy works	32,000
To drawings	16,000		
To car expenses	24,000		
To household expenses	8,600		
To NSC's purchased	20,000		
To net income	2, 30,000		
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	4, 20,000		4, 20,000
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(1) Office rent Rs.3000 though paid is not recorded.

(2) Depreciation of car during the year is Rs.6000.

(3) 30% of car expenses are related to personal purposes.

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