

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 2017
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 previous year?
2. What are perquisites?
3. Explain Intra-head set off.
4. What is PAN?
5. What is customs duty?
6. X, an Indian citizen, leaves India for the first time on September 20, 2013 for the purpose of employment. He comes to India for a visit of 146 days on April 10, 2014. He finally comes back on May 16, 2015. Find out the residential status of X for the assessment year 2016 – 17.
7. X is employed by a company. He has been provided a Car (1200 CC) owned by the employer, cost of the car is Rs. 4,26,000/-. The expenditure incurred by the company on maintenance of the car are – petrol : Rs. 46,000/- ; driver : Rs. 36,000/- and maintenance : Rs. 10,000/-.
The car can be used by X partly for official purposes partly for Private purposes. A sum of Rs. 12,000/- is recovered from X.
8. Compute the Net Annual Value of the House property from the following details:

Municipal Rental Value	Rs. 70,000
Fair Rental Value	Rs. 75,000
Standard Rent	Rs. 72,000
Actual Rent Rs. 10,000 per month	

The house was vacant for 2 months.
9. Mr. K received the following incomes during 2015 – 16. Compute his income under the head income from other sources separately for each case :

Items in A	Rs.
Winnings from Sikkim Lottery received	1,05,000/-
Winnings from Horse race (Amount won)	2,000/-
Winning from Crossword puzzle	4,000/-

Items in B	Rs.
Winnings from Lottery (Amount won)	2,000/-
Winnings from Horse race received	56,000/-
10. Find out tax liability for the assessment year 2016 – 17 in the case of X (who is resident individual and born on April 5, 1956) if the net income is Rs. 5,00,000/-.

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. How will you ascertain residential status of an individual assessee?
 12. What are excluded from Capital assets?
 13. What are the exemptions under Central Excise Act of 1944?
14. X, a resident of Ajmer, receives Rs. 1,92,000/- per annum as basic salary during the previous year 2015 – 16. In addition, he gets Rs. 19,200/- per annum as dearness allowance forming part of basic salary for computation of all retirement benefits, 7 percent commission on sales made by him (sale made by X during the relevant previous year is Rs. 86,000/-) and Rs. 24,000/- per annum as house rent allowance. He, however, pays Rs. 21,500/- per annum as house rent. Determine the quantum of house rent allowance exempt from tax.

15. Mr. X gives you the following particulars from his accounts for the year ending 31.3.16. Following items have been debited to profit and loss account.

	Rs.
(i) Net profit as per P & L A/c.	3,00,000/-
(ii) Contribution to unrecognized provident fund	20,000/-
(iii) Provision for Income tax and wealth tax	10,000/-
(iv) Advertisement	10,000/-
(v) Provision for excise duty	5,000/-
(vi) Interest on late payment of sales tax	1,000/-
Office Expenses	3,000/-

Compute his business income.

16. X purchases a house property for Rs. 26,000/- on May 10, 1962. He gets the first floor of the house constructed in 1967 – 68 by spending Rs. 40,000/-. He dies on September 12, 1978. The property is transferred to Mrs. X by his will. Mrs. X spend Rs. 30,000/ and Rs. 26,700/- during 1979 – 80 and 1985 – 86 respectively for alteration / reconstruction of the property. Mrs. X sells the house property for Rs. 21,50,000 on March 15, 2016 (brokerage paid by Mrs. X is Rs. 11,500). The fair market value of the house on April 1, 1981 is Rs. 1,60,000. CII for 1981 – 82 = 100, for 85 – 86 = 133 and for 2015 – 16 = 1081. Find out the Capital gain chargeable to tax for the assessment year 2016 – 2017.
17. For the assessment year 2016 – 17 / (previous year 2015 – 16), X is employed in India and receives Rs. 6,00,000/- as Salary. His income from other sources includes. Dividend received in London on June 3, 2015 : Rs. 1,00,000/- from a Foreign company; Share of profit received in London on December 15, 2015 from a business situated in Srilanka but controlled from India : Rs. 2,00,000/-; remittance from London on January 15, 2016 out of past untaxed profit of 2014 – 15 earned and received there : Rs. 3,00,000/- and interest earned and received in India on May 11, 2016 : Rs. 1,92,000/-. Find out his gross total income if he is (a) resident and ordinarily resident, (b) resident but not ordinarily resident, and (c) non-resident for the assessment year 2016 – 2017.

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 15 = 30)

18. Mr. Visvanathan is employed at Mumbai. His particulars of income for the A.Y 2016 – 17 are as follows :
- Basic salary Rs. 8,000/- p.m.
 - D.A. Rs. 2,000/- p.m. 40% is computed for retirement benefits.
 - Bonus Rs. 8,000/- p.a.
 - Commission Rs. 4,500/- p.a.
 - Entertainment Allowance Rs. 500/- p.m.
 - FRV of the free house provided by the employer Rs. 40,000/- p.a. value of furniture provided Rs. 20,000/-.

Find out the income from salary of Mr. Visvanathan.

19. X (age : 26 years), a leading tax consultant, who maintains books of account on cash basis furnishes the following particulars of income and expenditure for the assessment year 2016 – 17 :

Receipt and Payment Account for the year ending March 31, 2016.

	Rs.		Rs.
Balance brought down	12,400	Purchase of a typewriter	6,000
Fees from clients :		Car expenses	18,000
of 2015 – 16	7,30,500	Office expenses	40,000
of 2014 – 15	1,11,500	Salary to staff :	
of 2016 – 17	1,13,000	of 2015 – 16	32,000
Presents from clients	24,000	of 2016 – 17	11,000
Interest – free loan from a		Expenses in respect of	
client for purchase of a Car	2,38,000	let out property [municipal	
Winnings from lottery	46,000	tax : Rs. 2,000/- ;	
Interest from UTI (received		repairs : Rs. 1,000/-	
on September 11, 2015)	12,000	insurance : Rs. 3,000/-]	6,000
Rent of a let out property	60,000	Car purchased on	
Share of income from a firm	15,000	December 10, 2015	2,40,000
		Repairs of office	12,000
		Interest on loan	10,000
		Income-tax payment	2,000
		Life insurance premium	2,08,000
		Balance credit down	7,77,400
	13,62,400		13,62,400

Car is partly used for official purposes (40%) and partly for private purposes (60%).
Compute his income from profession.

20. X an individual, submits the following information relevant for the assessment year 2016 – 2017.

	Profit Rs.	Loss Rs.
Salary income	1,42,000/-	
Income from House property :		
House A	1,15,000/-	
House B	-	1,17,000
House C	-	1,21,000
Profits and gains of business or profession:		
Business A	1,08,000	-
Business B	-	1,18,000
Business C (Speculative)	1,11,000	-
Business D (Speculative)	-	1,23,000
Capital gains		
Short-term capital gains	1,06,000	-
Short-term capital loss	-	1,28,000
Long-term capital gains on sale of building	12,500	-
Income from other sources :		
Income from card games	1,08,000	-
Loss from card games	-	1,07,000
Loss on maintenance of race horse	-	1,06,000
Interest on securities	1,04,000	-

Determine the net income of X for the assessment year 2016 – 17.

21. X, an Indian citizen, gives the following particulars of his income and expenditure of the previous year 2015 – 16.

	Rs.
Business income	11,65,500/-
Winnings from lottery	1,04,500/-
Contribution towards public provident fund	1,30,000/-
Donation by cheque to the Prime Minister's National Relief Fund	51,000/-
Donation by cheque to the Government of India for promotion of family planning	33,000/-
Donation by cheque to a public Charitable Institute (being an approved institution for section 80 G)	1,12,000/-

Determine the net income of X for the assessment year 2016 – 17.

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