

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2011-12 & thereafter)
SUBJECT CODE : 11CM/MC/PT64

B.Com. DEGREE EXAMINATION APRIL 2017
COMMERCE
SIXTH SEMESTER

COURSE : MAJOR – CORE
PAPER : PERSONAL TAX ASSESSMENT
TIME : 3 HOURS **MAX. MARKS : 100**

SECTION A

ANSWER ALL QUESTIONS: **10 x 3 = 30**

1. Explain the term assessee.
2. Define perquisites.
3. Define annual value.
4. What is called casual Income?
5. What do you mean by set off and carry forward of losses?
6. Mr. Murali, a foreign national came to India for the first time on June 15 2010. During the financial years 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16, he stays in India for 120 days, 115 days, 15 days, 191 days, 124 days and 80 days respectively. Determine his residential status for the assessment year 2016-17.
7. Compute gross salary from information given below;
 - a) Salary Rs.5,000 p.m.
 - b) DA @ Rs.1,000 p.m.(500 p.m. enters into pay for service benefit)
 - c) Advance salary for two months Rs.11,000
 - d) Employer's contribution to R.P.F Rs.800 p.m.
8. Ashok receive 635,00 p.a. as net salary. Employer had deducted 7,500 as Employee's contribution to R.P.F. 1,300 p.a. as tax deducted at source and 1,200 p.a. as professional tax. During the year employer had deducted 2,500 towards the recovery of house building advance taken by Ashok. Compute gross salary.
9. Mr. Pandiayn had taken a shop on rent at monthly rent of Rs. 2,000. He has sublet; 25% of the area to Mr. Rajesh @ 1,000 p.m. He incurred 4,000 on repairs of the shop. Calculate his income from subletting.
10. Mr. X held the following investments:
 - a) Rs.90,000 10% (Tax free) Debentures of a listed company (Rate of TDS 10%)
 - b) Rs.1,00,000 12% Kerala Govt. loan.Compute his income from interest on Securities for the year ending 31-03-2016, if interest accrues annually on 1st January.

SECTION B

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

11. Explain the features of income.
12. Explain the characteristics of salary.
13. Mention the incomes which are chargeable to tax under the head income from other sources.
14. Mr. Y is employed at Amritsar on a salary of Rs. 3,000 p.m. The employer is paying HRA of Rs. 350 per month but the actual rent paid by him (employee) is Rs. 500 p.m. he is also getting 2% commission on turn over achieved by him and turnover is Rs. 1,50,000. Calculate his gross salary.

15. Mr. Paul retired on 15.6.2015 from a manufacturing company after putting service of 30 years and 7 months. He received a gratuity of Rs.3, 60,000. Basic salary of Mr Paul was Rs. 20,000 p.m. during 2014 and Rs.22, 000 p.m. during 2015. He was also getting DA @ Rs.5000 p.m. which was increased from Rs.4,000 on 1.4.2015. 50% of DA is presumed to enter into salary for computation of all retirement benefits but 100% of DA is part of basic salary for calculation of pension benefits. Compute his taxable gratuity, if he is not covered under payment of gratuity act 1972.

16. Calculate the ARV from the particulars give below;

Actual rent	Rs.6,000 p.m.
MRV	Rs.60,000 p.a.
FRV	Rs.66,000 p.a.
Standard Rent	Rs.69,000 p.a.

During the previous year 2015 assessee could not realised rent for 2 months.

17. Mr. Ramaswamy own horses at Mumbai and Bengaluru. These run for races at the race course. During the year 2015-16 Mr. Ramaswamy submit the following information;

- a) Expenses on race horses at Mumbai Rs.2, 60,000
- b) Expenses on race at Bengaluru Rs.4, 30,000
- c) Stake money earned by horses at
 - a) Mumbai - Rs. 1, 20,000.
 - b) Bengaluru - Rs. 5, 00,000

Mr. Ramaswamy received Rs. 1,05,000 on 1.7.2015 on betting during horse races at Mumbai compute his taxable income under other sources.

SECTION C

ANSWER ANY TWO QUESTIONS:

2x15 =30

18. Which of the following incomes are taxable when the residential status of Mr. Navin is:

- (i) Resident (ii) Not ordinarily Resident, (iii) Non-Resident
 - a) Income accrued in England but received in India Rs. 2,000.
 - b) Rs. 5,000 were earned in Africa and received there but brought to India.
 - c) Rs.5,000 earned in India but received in England.
 - d) Rs. 10,000 earned and received in Singapore from a business controlled from India.
 - e) House property income (computed) from Malaysia Rs. 2,000
 - f) Rs. 4,000 was past untaxed foreign income which was brought to India during the previous year.
 - g) Profit earned from a business in Chennai Rs. 10,000.

19. Particulars of income received by Mrs. Suguna for the year ended 31st march 2016 are as follows;

- a) Family pension received from the Government of Tamil Nadu Rs. 15,000.
- b) Royalties received from a publisher Rs. 42,700 she spent Rs. 2,700 on books, stationery, typing, etc.,
- c) Winings from lotteries (Gross) Rs. 90,000.
- d) Winnings from horse race (net) Rs. 35,000.

- e) Interest from tax – free debentures of a public Ltd. Company (listed) Rs. 18,000.
- f) Interest on tax free notified Government bonds Rs. 10,000.
- g) Dividend received from a foreign company (net) Rs. 8,000. Nothing has been paid to the Government of India out of tax deducted at source.

From the above information, compute income from other Sources of Mrs. Suguna for the assessment year 2016-17.

20. MRV of the residential house is Rs.24,000 and actual rent is Rs.2,500 p.m. During the previous year 2015-16 house was vacant for two months. The municipal taxes are @10% of MRV. During the year owner paid Rs.30,000 as arrears of Municipal taxes. Interest on loan taken for the construction of house payable to his employer is Rs.16,000. Compute income from house property.
21. From the following particular, find out the taxable salary of Mrs. Priya working at Coimbatore (population 11,00,0000)
- a) Salary Rs.12,000 p.m.
 - b) DA Rs.1,500 p.m.
 - c) Employer contribution to employee recognized PF 14% of basic salary.
 - d) Rent free accommodation (unfurnished) fair rental value is 80,000 p.a. Expenses on maintenance of garden met by employer Rs. 3,000.
 - e) Interest on PF balance 13% p.m. – Rs. 3900.
 - f) A car (1.4lt capacity) is provided by employer. All expenses are borne by employer. It is used both for performance of duties and private purposes car was used by employee for only 11 months during the year.
 - g) She paid professional tax Rs.200.
 - h) She received Rs.500 p.m. as medical allowance.
