

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.

(For candidates admitted during the academic year 2015 - 2016)

SUBJECT CODE: 15CM/ME/BT55

B.Com. /B.Com. (C.S) DEGREE EXAMINATION NOVEMBER 2017

COMMERCE

CORPORATE SECRETARYSHIP

FIFTH SEMESTER

COURSE : MAJOR – ELECTIVE

PAPER : BUSINESS TAXATION

TIME : 3 HOURS

MAX. MARKS: 100

SECTION A

Answer ALL questions

(10 x 2 =20 marks)

1. Who is resident?
2. MrRajini an Indian citizen goes to Singapore for employment during the previous year 2016-17 on 1st September 2016. He was in India from his birth during the year 1990. Identify the residential status.
3. What is standard rent?
4. Mrs. X working in a company and getting a basic pay of Rs. 8,000 pm, DA at 20% of basic pay, Commission at 5% of basic pay, HRA at 12% of basic pay and bonus equal to two months basic pay. She is residing in a rented house at Rs. 1,800 pm. Determine her exempted amount of HRA.
5. What is meant by profession?
6. Compute Income under the head income from other sources of Mrs. Rajamani: Director's fees Rs. 20,000; Interest from bank (gross) Rs. 6,000 Income from undisclosed source: Rs. 24,000; Dividend on shares (gross) Rs.12,000; Ground rent Rs. 600.
7. What is meant by set off?
8. The net income of Mr. Siva for the PY 2016-2017 is Rs. 12,50,000. Find out the amount of tax liability for the AY 2017-2018.
9. Write a note on VAT.
10. What is meant by customs duty?

SECTION B

Answer any FIVE questions.

(5 x 8 =40 marks)

11. Write short notes on (a) Previous year (b) Assessment year. (c) Assesse
12. Mr. Anil earns the following income during the previous year 2016-17. Compute his total income for A.Y. 2017-18 if he is (i) resident and ordinarily resident; (ii) resident but not ordinarily resident;
 - a) Profits from a business in Trichy managed from Canada Rs. 23,000
 - b) Income from property in Canada received there Rs. 36,000
 - c) Income from agricultural land in Nepal received there and remitted to India later on Rs. 33,500
 - d) Interest on debentures in an Indian company received in ' Canada Rs. 6,200
 - e) Income from profession in Canada which was set up in Patna, received there Rs. 42,000
 - f) Profits earned from business in Canada which is controlled 'from Chennai, 25% of the profits being received in Chennai Rs. 80,000
 - g) Fees for technical services rendered in Patna but received in Canada Rs. 25,000
 - h) Untaxed foreign income of earlier years brought to India Rs. 15,500
 - i) Dividend from a Canadian company received in Canada Rs. 14,000
 - j) Interest on Development Bonds issued in Canada, 40%.of interest received in Patna Rs. 20,000

13. Mr. Sathya received the following emoluments during the PY ending march 31,2017.
Basic salary Rs. 2,50,000; Dearness Allowance Rs. 20,000; Bonus Rs. 22,000 and commission Rs. 3,000
His employer provides the following perquisite:
Rent free furnished house in Madurai
- | | |
|---|------------|
| Lease rent of unfurnished house | Rs. 40,000 |
| Cost of steel furniture provided
(WDV Rs. 3,000 throughout the PY) | Rs. 50,000 |
| Rent of furniture provided | Rs. 4,000 |
- Determine the value of the perquisite in respect of rent free furnished house if he is a manager of a private limited company.
14. Mr. X owns a residential house at Chennai which he acquired in Oct 1990 for Rs.5,00,000. He sells the house for Rs. 45,00,000 on July 20, 2016. He purchases a residential house at Madurai on Feb 2015, for Rs. 6,00,000 for use by his daughter. On 31st July 2017 he deposits Rs. 10,00,000 in SBI under capital gain account scheme. He purchased a residential house at Chennai on 30th June, 2016, for Rs. 8,00,000. The cost of house is financed by withdrawing from the aforesaid deposit amount. The remaining amount was withdrawn by him after 20th July, 2018. Find out the taxable amount of capital gain for the assessment year 2017-18.
The cost inflation index in 1990-91 and 2016-17 is 182 and 1125.
15. From the following data you are required to compute the total income of X Ltd, in a manner of most beneficial to the company, for the assessment year 2017-2018.
- | | |
|------------------------------|---------------|
| a. Business loss | Rs. 50,00,000 |
| b. House property income | Rs. 45,00,000 |
| c. Income from other sources | Rs. 1,00,000 |
| d. Short term capital gain | Rs. 3,00,000 |
| e. Long term capital gain | Rs. 10,00,000 |
16. What are the objectives of excise duty?
17. State the various items of income chargeable under the head other sources.

SECTION C

Answer any TWO questions.

(2 x 20 =40marks)

18. Define the term person as per the income tax act 1961. Explain the provisions relating to the computation of an individual's Residential Status.
19. Mr. Saravanan owns two houses. The relevant details are as follows.

	House I	House II
Self – occupied	April 1, 2016 to June 30, 2016	July 1, 2016 to March 31, 2017
Let out	July 1, 2016 to March 31, 2017	April 1 2016 to June 30, 2016
Rent per month	Rs. 8,000	Rs. 5,000
Municipal valuation	Rs. 90,000	Rs. 60,000
Fair rent	Rs. 1,00,000	Rs. 65,000
Standard rent	Rs.1,00,000	Rs. 50,000
Rent of let out period	Rs. 72,000	Rs. 15,000
Municipal taxes paid	Rs. 12,000	Rs. 8,000
Interest on borrowed capital	Rs. 20,000	Rs. 4,000

20. Mr. Ramesh is practicing as a Chartered Accountant in Chennai. He deposits all receipts in his bank account and pays all expenses by cheque. Following is the analysis of his bank account for the year ending 31-3-2017:

Consultation 4,00,000; Office rent 15,000; Audit Fee 45,000; Office expenses 30,000; Appellate Tribunal appearance 25,000; Staff Salaries 24,000; Gifts from clients 10,000; Stipend to articled clerks 20,000; Interest on securities 30,000; Computer purchased 33,000; Rent from house 20,000; Subscription to CA. Institute 800; Life Insurance Maturity 1,00,000; Travelling Expenses 7,000; Miscellaneous receipts 5,000; Purchase of books for professional use 10,000

Additional information:

(1) Half of the travelling expenses are for personal purposes.

(2) Computer is purchased on 1-8-16 and used for office use.

Compute his taxable professional income for the year.

21. Explain the features of service tax.
