



UA-0660

Second Year B. Com. (Honours) Examination

March / April – 2012

BC-26 : Income Tax

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दृष्टावेक निशानीवाणी विगतो उत्तरवाडी पर अवश्य कपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
Second Year B. Com. (Honours)	<input type="text"/>
Name of the Subject :	<input type="text"/>
BC-26 : Income Tax	<input type="text"/>
Subject Code No. : <input type="text"/> 0 <input type="text"/> 6 <input type="text"/> 6 <input type="text"/> 0	Section No. (1, 2,.....): <input type="text"/> Nil
Student's Signature	

(2) Figures to the **right** indicate **full** marks of the question.

(3) Show **necessary** calculation as a part of your answer.

1 Answer as directed : 10

(a) Find out the amount of deduction under Sec. 80 C 2  
from the following investments of Anna.

- (i) Amount deposited in Public Provident Fund; 40,000
- (ii) Life Insurance Premium on policy of 1,00,000 on his own life; 25,000
- (iii) Amount deposited to Unrecognized Provident fund 10,000
- (iv) Amount credited to savings account of State Bank of India 30,000
- (v) Repayment of housing loan - HDFC Bank 65,000  
(including interest 20,000)

- (b) Abdulbhai is a Pakistani citizen. He has regularly visited India during last 10 years (inclusive of 2010-11) in the months of September, October and November. Determine his residential status for the assessment year 2011-12. 2

Days present in India

Sept. 30

Oct. 31 and

Nov. 30

during year 2010 and previous years.

- (c) Define briefly tax evasion and Tax Avoidance. 2
- (d) Find out taxable amount under the head income from other sources. 2

9.925% Tax free debentures of Vidya Ltd.

(TDS 20.60) Rs. 32,000

- (e) Find out Tax-free and taxable capital gain according to Sec. 54 F. 2

Net profit = 13,66,365

Investment in residential house = 8,00,000

Net selling price of jewellery = 24,00,000

2 Find out taxable income from salary of Balanji for a.y. 2011-12. 10

- (i) He received 60,000 basic pay per month from 1.4.10 to 31.3.11 in 'X' Ltd. of Surat.
- (ii) 'X' Ltd's contribution 13% in recognized provident fund.
- (iii) Education Allowance 700 per month. His two children are studying.
- (iv) To stay in Surat; a flat is given by the company. The company paid 36,000 as annual rent of this flat.
- (v) The company paid 1,800 per month as salary of domestic servant.
- (vi) From 1st July 2010; a motor car having 1800 cubic capacity (big) without driver provided by the company. The company paid all expenses. The car is being used for personal purposes as well as business purposes.
- (vii) On 31.3.10 he retired from Guruji Ltd. Company of Delhi. On 1.10.10 he received 1,20,000 as commuted pension from such company; which was as 75%. He has not received gratuity from Guruji Ltd.
- (viii) Rs. 1,600 as monthly pension fixed from Guruji Ltd. at the time of retirement.
- (ix) The company paid 12,476 as his life insurance premium.

- 3 Nirav Patel is the owner of three houses. From the following details find out his taxable income from house property for the a.y. 2011-12. 10

Particulars	House No. I	House No II	House No III
Usage	Let out	Let out	Self Occupied
Municipal Value	60,000	15,000	8,00,000
Fair Rent	75,000	24,000	---
Standard Rent	85,200	21,000	---
Rent Receivable	1,14,000	24,000	---
Un-realized Rent	9,500	--	--
Vacant Period	3 months	1/2 months	---
Local Taxes	5%	4%	7%
Interest on loan for construction	(?)	--	43,824

On 1.12.05 a loan of 2,40,000 taken at the rate of 12% for construction of house No. I. The construction was finished on 1.6.07. Such loan paid up on 30.9.10.

- 4 Find out tax-free capital gain and taxable capital gain according to Sec. 54F for the a.y. 2011-12 from the following details of Khyati Patel. 10

Assets	Date of Purchase	Purchase Price	Net Sales Price
Residential House	1.1.11	14,00,000	--
Debentures of a Private Company	1.5.90	8,22,822	21,57,200
Land in City	1.4.96	1,52,500	7,80,300
Jewellery	1.6.90	54,600	7,04,000
Share in a firm	1.7.77	25,000	5,58,500

On 31.12.10 she sold all assets except residential house.

Index Number:

1981-82 = 100

1990-91 = 182

1996-97 = 305

2010-11 = 711

- 5 (a) On 1.4.10 Hetal joined services in a company of 5  
Mumbai. She received 5,500 per month as basic salary  
and 400 per month as house rent allowance for the  
whole year.

She was staying in her house upto 31.7.10. From  
1.8.10 she is staying in others' house for which she paid  
1,000 per month as house rent. Find out taxable house  
rent allowance for the a.y. 2011-12.

- (b) During the year 1981-82; Gopal purchased a residential house of 2,00,000. On 8.9.10 he sold it at 35,00,000 and paid 2,01,124 as sales expenses. On 9.9.10 a contract was done to purchase house of 11,00,000 and paid 10,00,000 as advance money. Index number :

1981-82 = 100

2010-11 = 711

Find out taxable capital gain according to Sec. 54

- 6 From the following details of Amit find out the taxable income from other source for the a.y. 2011-12. 10

- (i) Unexplained expenses 2,11,519
- (ii) Winning of Lottery (net) 3,10,950 (TDS 30.90%)
- (iii) 12% 2,40,000 tax free debentures of Mitesh Ltd. (TDS 20.60%)
- (iv) Royalty received 24,500
- (v) 12%; 2,69,400 tax free debentures of Bhavika Ltd. (TDS 10.30%)
- (vi) On 1.4.10 he purchased 12%, 90,000 bond of Surat Municipal Corporation, out of which bond of 30,000 was sold on 1.10.10 at 31,000.
- (vii) 12% 50,000 Tax Less debentures of Kabira Ltd. (TDS 10.30%).
- (viii) Gold-Silver purchased at 1,80,778 but it was recorded as 70,000 in the books.

To purchase taxable securities a bank loan of 13,700 was taken at the rate of 12% on 1.7.10. Collection charges for taxable interest occurred 1,000. On all above securities interest received on 30<sup>th</sup> June and 31st December.

**7** Write short notes : (any two)

**10**

- (i) Expenses-payments allowed to be deducted from business income.
  - (ii) Expenses - payments not allowed to be deducted from business income.
  - (iii) Recovery of bad debts previously allowed/not allowed.
  - (iv) Casual Income
  - (v) Agricultural Income
  - (vi) Appellate Tribunal
  - (vii) Assessment year - Previous year
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