

Roll No.

Total No. of Pages : 03

Total No. of Questions : 08

B.Comm. (Professional) (Sem.-5)

INCOME TAX-I

Subject Code : BCOP-502

M.Code : 70422

Date of Examination : 06-07-21

Time : 2 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. Attempt any FIVE question(s), each question carries 12 marks.

1. Mr. Mukesh Sharma owns 3 house properties situated in Mumbai. The particulars of the houses are as under for the financial year 2017-18 :

	House I Rs.	House II Rs.	House II Rs.
Municipal Value	2,60,000	4,50,000	2,50,000
Fair Rent	2,80,000	5,00,000	2,60,000
Standard Rent	2,40,000	6,30,000	2,80,000
Actual Rent (per month)	25,000	50,000	21,000
Period of vacancy	2 months	3 months	4 months
Municipal taxes for the year	20% of municipal value	20% of municipal value	20% of municipal value
Interest on loan for construction of houses	5,00,000	Nil	2,50,000

Compute the income under the head house property of all the 3 properties.

2. Mr. Rocky is serving with multinational corporation located at Gurugram. He is serving since March 2002 as IT manager. Rocky furnishes the following details of his salary income for the financial year 2017-18 :

	Indian Rupees (INR)
Basic Pay	1,00,000 p.m.
Dearness pay	50,000 p.m.
House Rent Allowance	32,000 p.m.
Employer's and his own contribution to unrecognised Provident Fund	12% of Basic Pay+ Dearness pay
City Compensatory Allowance	5000 p.m.
Medical Allowance	6,000 p.m.
Project Allowance (Fully utilised for official purposes)	7,500 p.m.
Conveyance Allowance	4000 p.m.
Communication allowance	3000 p.m.
Meeting Allowance	2,500 p.m.
Washing Allowance	6000 annually
Servant allowance	5000 p.m.

Compute his taxable income from salary for the assessment year 2018 - 19.

3. Discuss the provisions of the Income-tax Act relating to the set-off of losses.
4. Discuss the tax treatment to transactions which result in (a) transfer of income without transfer of the assets yielding the income; and (b) gift of the assets by an individual to his/her spouse, minor children, major sons and married daughters.
5. How will you compute income from Business or Profession according to Income Tax Act 1961? Elaborate by taking into consideration the different taxable incomes and expenses admissible for deduction.
6. Mr. C. P Jong aged 35 years, has following incomes for the previous year 2017-18. You are required to ascertain his taxable income for the assessment year 2018-19.

	Indian Rupees (INR)
Income from salary	3,52,000
Profit from business	5,70,560
Actual rent of house property	6,89,980
Municipal tax paid being 10% of municipal value	62,340
Long-term capital gain on sale of plot	1,53,400
Winning from Horse race (gross)	5,00,000
Contribution to public provident fund	2,76,000
LIC Premium Paid	25,000
Donation under section to prime minister relief fund 80G	1,00,000
Contribution to national pension Scheme	50,000
Interest on fixed deposit in a bank	75,000

7.
 - a) Explain the concept of 'Income' as per Income Tax Act 1961.
 - b) Briefly explain the difference between income from salary and income from other sources.
 - c) Distinguish between deductions and exemptions.
8.
 - a) Explain the term long term capital gain.
 - b) What do you mean by capital assets?
 - c) Briefly distinguish between Indian resident and Citizen.

Note: Any student found attempting answer sheet from any other person(s), using incriminating material or involved in any wrong activity reported by evaluator shall be treated under UMC provisions.

Student found sharing the question paper(s)/answer sheet on digital media or with any other person or any organization/institution shall also be treated under UMC.

Any student found making any change/addition/modification in contents of scanned copy of answer sheet and original answer sheet, shall be covered under UMC provisions.