

NAIPUNNYA SCHOOL OF MANAGEMENT
Fifth Semester B Com Commerce with Computer Application
QUESTION BANK
Income Tax.

SECTION A

(1mark each)

1. Who is an assessee?
2. What is Gross Total Income GTI?
3. Define perquisite
4. What is transferred balance?
5. What is unrealised rent?
6. Define "Annual value"
7. What is "Block of Asset"?
8. What is a capital asset?
9. Give two examples of items which are not treated as capital asset.
10. What do you mean by clubbing of income?
11. What is carry forward of loss
12. Who is deemed assessee?
13. What is capital profit?
14. Who is "person" under the income tax Act?
15. What is partly agricultural income?
16. What is deemed dividend?
17. What is tax Audit?
18. Tea Development Account?
19. State any three tax free perquisites
20. What is Annuity pension?
21. Residence of an Individual.
22. Define previous year.
23. Who is an assessee in default?
24. What do you mean by Casual income?
25. Define Business as per sec 2[13]

SECTION B

(2 mark each)

1. State any three taxable perquisites
2. Enumerate the deduction allowable u/s 24[1] [IHP].
3. What is meant by Standard rent?
4. what is "Deemed let out house property"?
5. What is absorbed depreciation?
6. What is "Tax Audit"?
7. What is Speculative business income?
8. How will you treat bad debits recovered?

9. What is an adventure in the nature of trade?
10. Distinguish between set off and carry forward?
11. What is intra-head setoff and inter-head set off?
12. What is bond washing transaction?
13. What is deemed income? Give two examples
14. Exemption u/s 10[32]
15. Definition of salary.
16. What are the different categories into which the assesseees are divided with regard to residence?
17. What is agricultural Income?
18. Difference between Capital Receipts and Revenue Receipts
19. Mr. receive Rs.90, 000/- as gratuity under then payment of gratuity Act 1972. He retired on Aug after rendering service for 32 years and 4 months. His last monthly salary Rs.3, 250/- .Calculate the amount of taxable gratuity.
20. Mr. draw basic salary Rs.28, 000/- , DA Rs.80,000[50% forming part of salary] Bonus Rs.25,000/- .Company provide rent free furnished home at Trichy. Cost of furniture Rs.40, 000/-FRV of the house Rs.70, 000/- calculate value of rent free furnished house.
21. Mr.X resides in Chennai; get Rs.200, 00 p.a as basic salary. He receives Rs. 36,000 p.a HRA. Rent paid by him is Rs. 30,000 p.a .Find out the amount of taxable HRA.

SECTION C

(4 Marks each)

1. X retired from the service on 31/03/2015 after serving for a period o 29 years 9 months. At the time of retirement he was receiving basic pay of Rs.6000 per month, D A Rs.1800 per month and commission of Rs 500 per month. DA forming part of salary. He received gratuity Rs.20, 000.
 - 1) under payment of gratuity Act
 - 2) Not covered under gratuity Act.
2. Z is employed in a public co. at Mumbai. He draw salary of Rs.16, 000 p.a. and D A Rs.72,000(not forming part of salary). The Company allows rent free house to Z for which the co. Pay a rent of Rs.60, 000 p.a.Company deducts Rs.12, 000/- per annum from Z's salary. Calculate rent free accommodation.
3. Mr.X is a director in ABC Ltd. Company provides a car (1.8) for both official and private purpose. Calculate the taxability of perquisite if
 - a) Car is owned by the employer,exps paid by the employer(including the driver)
 - b) Car is owned by Mr.X. Expenses Rs.20, 000/- and paid a salary of Rs.6,000/- by the employer.
4. From the following particulars, compute the capital gain
 - a) Sale price of house property in 2015-16 - 70,00,000
 - b) Cost of acquisition in 70-71- 60,000
 - c)Cost of construction of first floor in 75-76 - 1,00,000
 - d) Cost of 2nd floor IN 83-84 -200,000
 - e)Renewal of property in 92-93 -3,50,000
 - f)FMV of property in 1-4-81 -3,00,000
 - g)Selling exps –Rs 5,000

(c11 1983-84-116, 1992-93-223, 2015-16-1081)
5. Following are the income submitted b y Mr.Manoj, his wife and their son (aged 14 years)

| | | | |
|--|-------|---------|-----------|
| | Manoj | Lekshmi | Minor son |
|--|-------|---------|-----------|

| | | | |
|----------------------------|--------|--------|-------|
| Salary | 156000 | 134000 | - |
| Income from house property | 45000 | - | 35000 |
| Interest in Bank Deposit | 12000 | 3400 | 23000 |

Compute the gross total income of Manoj, Lekshmi & their son.

6. Mr X disclose the following incomes. Compute his gross income (Salary & other sources)

1. Salary received 66,000
2. Interest in Bank deposit 6,400
3. Winnings from horse race-17,900
4. Winnings from Lottery-8000
5. Dividend from Indian company-7400
6. Ground rent-4500
7. Dividend units of UTI 1200
8. Interest on enhanced compensation from govt 2000

7. Mr X retired from the service on 31st Dec 2015. His pension was at Rs.8, 000 per month. He commutes ½ of his pension and received Rs.3, 00,000. Find out the taxable amount if he is:-

1. Govt employee
2. Private employee who got gratuity
3. Private employee who did not receive gratuity.

SECTION D

(15 marks each)

From the following particular prepare gross total income of Mr. X for the assessment year 2016-17

1. Income from house property

| | |
|---|-----------|
| A | + 12000 |
| B | [-] 20000 |
2. Profit & Gains from business
 - a. Non-speculation Business X

| | |
|---|-----------|
| | 40000 |
| Y | [-] 50000 |
 - b. speculation Business
 1. silver 40000
 2. bullion [-]10000
3. Capital gains
 1. Long term capital gains +30000
 2. short term loss [-]10000
4. Income from other sources
 1. Card games loss [-] 10000
 2. owing and maintaining horse race

| | |
|-----------------|----------|
| Loss at Mumbai | (-50000) |
| Profit at Poona | +40000 |
 3. Dividend from Indian co's 10000
 4. Income letting out plant & machinery 111000

The following losses have been carried forward

1. Long term capital loss for the assessment year 2010-2011
2. Loss from silver speculation business assessment year 2012-13 and which was discontinued in the assessment year 2013-14 Rs. 25,000/-

2. Sree Anand owns two houses the particulars of which are given below for the py 2015-16

| | House- I | House-II |
|--|---------------|------------|
| Annual rent | - | 172000 p.a |
| Stand rent | 500000 p.a | 150000 p.a |
| Municipal valuation | 490000 p.a | 160000p.a |
| Fair rent | 500000 | 180000p.a |
| Municipal tax paid | 49000 | 16000 |
| Fire insurance | 5000 | 3000 |
| Interest on loans borrowed for construction of house | 36000 p.a | 18000 p.a |
| Un realised rent | Nil | 6000 |
| Nature of occupation | self occupied | let out |

Complete income from house property for the year 2016-17 construction of the house is completed in April 2010

3. Mr. Vinod working as manager in a pvt. Co provides the following information for the year ended 2016.

Basic pay Rs.15000pm

DA (50% of the part of salary) Rs. 12000pm

Commission fixed % on sales at 0.5%

Turnover of the company Rs. 5 lakh

Bonus Rs. 50000 p.a.

Own contribution to RPF Rs. 30000/-

Employers Contribution to RPF 20% of salary.

Interest credited in the RPF at 15% p.a Rs 15000/-

Gold ring worth Rs 10000/- was given by the employer on his 25th wedding anniversary.

A big car is provided by the Co.for personal and official use (including driver) (1.8cc)