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SX/S-6/UG(C)—

B. Com. (XIII)

2017

Time : 3 hours

Full Marks : 70

Candidates are required to give their answers in their own words as far as practicable.

The questions are of equal value.

Answer any five questions.

1. What do you understand by the term 'Capital Gains' used in Income Tax Act ? What are the rules regarding exemption of Capital Gains ?
2. Explain the various kinds of securities covered under income from other sources. Name at least ten such securities, bonds and deposits ; the interest of which is fully exempt from tax.
3. What are the various authorities under Income Tax Law and what are their powers and functions ?

4. Explain the provisions regarding carry-forward and set-off of losses under Income Tax Act.
5. State the various deductions to be made in computing the total income of the assessee. Explain atleast five such deductions in brief.
6. Mr. X sells agricultural land situated in Delhi City for Rs. 58,00,000 on May 15, 2015, which was purchased by him in June, 1984 for Rs. 5,00,000. On 1st April, 2016, he purchased agricultural land for Rs. 4,00,000 and deposited Rs. 6,00,000 in Capital Gains Account in State Bank of India in order to get exemption under Section 54B. He purchased another agricultural land on 30th April, 2017 for Rs. 5,50,000 by withdrawing from the Deposit Account in State Bank. The balance of amount left in Capital Gains Deposit Account is withdrawn in October, 2017. Find out the taxable capital gains for the assessment years 2016-17 and 2018-19.

The cost inflation indices are : 1984-85 — 125
and 2015-16 — 1081.

7. Mr. X has the following investments in the previous year ended on 31st March, 2016 :

- (a) Rs. 750 received on interest on Post Office Recurring Deposit.
- (b) Rs. 25,000, 12% Haryana State Electricity Board Bonds.
- (c) Rs. 20,000, 13% Allahabad Development Bonds.
- (d) Family Pension Rs. 24,000.
- (e) Rs. 1,980 received interest on Tax-free Secured Securities of Chits India (P) Ltd. Co.
- (f) Rs. 36,000, 10% (Tax-free) Listed Debentures of a Company.
- (g) Rs. 40,000, 12% Debenture of Goa Development Authority.

He took a loan to purchase Goa Development Authority Debentures Rs. 20,000 @ 11% on which interest due but not yet paid in the previous year. Bank charged 2% as collection charges on realization of interest on all securities. Interest

being payable in each case in 1st January and 1st July. Calculate his income from interest on securities.

8. The statement of income and losses for the year ended 31st March, 2016 of Mr. Y is as follows :

	Rs.
(a) Taxable Income from Salary	1,16,800
(b) Taxable Income from Interest on Debentures (gross)	8,400
(c) Taxable Income from Home Property :	
(i) Income from House 'A'	7,200
(ii) Loss from House 'B'	(-) 3,400
(iii) Loss from House 'C'	(-) 9,200
(d) Income from Business :	
(i) Profit from Iron Business	12,800
(ii) Loss from Stationery Business	(-) 8,900
(iii) Profit from Speculation Business 'A'	10,600
(iv) Loss from Speculation Business 'B'	(-) 4,600

Rs.

(e) Income from Capital Gains :

(i) Short term capital gains	18,600
(ii) Long term capital gains	4,200
(iii) Long term capital loss	(-) 8,300
(f) Income from other sources	7,700

Compute Gross Total Income of Mr. Y for the assessment year 2016-17.

9. Dr. Verma is a teacher. Following information relate for the assessment year 2016-17 :

- (a) Basic Salary @ Rs. 12,000 p.m.
- (b) D. A. 45% of salary.
- (c) Wardenship Allowance @ Rs. 400 p.m.
- (d) Examinership remuneration Rs. 3,000.
- (e) Royalty from books for schools (computed) Rs. 22,500.
- (f) Gross interest in Govt. Securities Rs. 5,000.
- (g) Interest on Tax-free Debentures (gross) Rs. 3,000. Debentures are issued by Public Sector Company and are notified.

- (h) Dividend in shares of a Foreign Company Rs. 2,500.
- (i) Income from house property Rs. 1,10,000 (computed).
- (j) Contribution to Statutory P. F. Rs. 5,000.
- (k) Contribution to P.P.F Rs. 12,000.
- (l) Premium paid by cheque on medical insurance policy on health of a dependent father Rs. 3,000.
- (m) Donation to an approved charitable institution Rs. 10,000.

Compute his total income.

10. The particulars of Indian Income of a non-resident individual (aged 70) for the previous year 31st March, 2016 are as under :

	Rs.
(a) Income from Salary (computed)	1,62,000
(b) Taxable income from House Property	47,000
(c) Short-term Capital Gains	72,000
(d) Long-term capital gains in respect of land and buildings	1,20,000

(e) Long term capital loss in
respect of jewellery 17,000

(f) Casual Income – games on T. V. 20,000

He paid life insurance premium Rs. 6,000 on a policy taken on his own life, contribution to Recognised Provident Fund Rs. 5,000 and sum of Rs. 20,000 by cheque to an approved Charitable Institution. Compute his net tax liability.

