

SUBJECT: B.Com (Taxation)
SEMESTER- I
Paper III : INCOME TAX - I

2-1-110

Unit :1

Introduction & Basic Concepts of Taxation

Meaning of Tax – Types of Taxes – Direct & Indirect Taxes- Income – Total Income – Person – Assessee – Previous Year – Assessment Year – Tax rates – Tax - Liability – Capital & Revenue Income – Capital & Revenue Expenditure – An Overview of Taxation System in India.

Unit:2

Residential Status – Incidence of Tax

Residential Status of Individual – Hindu Undivided Family – Partnership firm – Company and other persons - Scope of Income.

Unit: 3

Incomes Exempted from Tax:

Incomes exempted u/s 10 – Agricultural Income – Share of Profit from Firm – share of Profit from HUF and others.

Unit: 4

Income from Salaries:

Computation of Income under the head salaries – Definition of Salary – Allowances – Fully exempted allowances – partly exempted allowances – fully taxable allowances – perquisites.

Unit : 5

Income under the head house property

Computation of income under head house property – Types of House Properties – Self occupied Property – Letout Property – Interest on borrowed capital for construction or purchase of house property – Un realized rent and Arrears of rent tax treatment.

Text Books:

1. Income Tax Law & Practice – Gaur & Narang, Kalyani Publishers
2. Student guide to Income Tax – V.K. Singhania, Taxmann's Publishers

Reference Books

3. Direct taxes law & Practice – Vinod K Singhania, Kapil Singhania, Taxmann's
4. Direct taxes law & Practice – Girish Ahuja, Dr. Ravi Gupta, Bharat's

Signature of the
Chairman (B.O.S.)
(20.....Exams)

MODEL QUESTION PAPER

I B.Com (TAXATION)

FIRST SEMESTER (CBCS)

Paper - 101 : TAXATION

(Semester Pattern w.e.f. 2015-16)

2-1-110

Time: 3 hours

Marks: 75

Section A

Answer any Five of the following. All questions carry equal marks 5 x 5 = 25 Marks

- Assessment year
- Person
- Not-ordinarily resident
- Non-agricultural incomes
- Perquisites
- Entertainment allowance
- Unrealized rent
- Pre-construction period interest

Section - B

Answer One question from each Unit. All questions carry equal marks 5 x 10 = 50

UNIT - I

- Define income and explain its characteristics?
- Define Assessee and explain different types of Assessee?

UNIT - II

- Define residential status? List out the conditions of determination of residential status of an individual?
- The following incomes are earned by Yadav during the previous year 2014-15.
 - Profit from business in India Rs.50,000.
 - Income from House property in Germany received in India Rs.15,000.
 - Income from House property in USA deposited in a Bank there Rs.1,00,000.
 - Profits of business established in Australia deposited in a bank there Rs.1,20,000 (out of Rs.1,20,000 a sum of Rs.80,000 is brought into India). This business is controlled in India.
 - Accrued in India but received in England Rs.22,000
 - Profit on sale of house property in India Rs.16,000
 - Income from agriculture in England - It is all spent on the education of children in London Rs.50,000
 - Past untaxed foreign income brought into India during the previous year Rs.10,000.

From the above particulars ascertain the taxable income if Yadav is (i) resident (ii) non-ordinary resident and (iii) non-resident

UNIT – III

5. Define agricultural income and explain the various tests to determine agricultural income?
6. Enlist any Ten Incomes exempted from tax under section 10?

UNIT – IV

7. From the following particulars find out the taxable salary of Smt. Anuradha who is working as manager in a limited company at Mumbai for the assessment year 2015-16
 - i. Net salary after deducting the following Rs.1,50,000
 - a. Income tax deducted at source Rs.6,000
 - b. Own contribution to RPF Rs.20,000
 - c. Rent of residential house provided Rs.4,000
 - ii. Profit bonus Rs.24,000
 - iii. Entertainment allowance Rs.12,000
 - iv. She went on tour for official purposes and received travelling allowance Rs.6,000
 - v. She was ill and was treated in a notified hospital. Medical bill reimbursed Rs.18,000
 - vi. She was provided with rent free house owned by the company at Mumbai (population 20 lakhs) and company also provided a gardener to maintain this house
 - vii. Salary of gardener paid by the company Rs.500 pm
 - viii. The electricity and water bill of the above house paid by the company Rs.1,200 pm
 - ix. She was provided with a car of 1.2 lt cc which was used partly for personal and partly for employment purposes.
 - x. The company contributed Rs.24,000 towards RPF
8. Professor Reddy is working at Chennai. The following are the details of his Income and Expenditure. Compute his taxable income.
 - a. Basic salary Rs.18,300 pm
 - b. DA Rs.10,500 pm
 - c. Contribution to SPF @ 15% of salary, a similar amount is contributed by the University
 - d. House rent allowance Rs.10,000 pa. He paid Rs.4,000 pm as actual rent for the house occupied by him
 - e. Education allowance for two children @ Rs.300 pm each
 - f. City compensatory allowance Rs.500 pm
 - g. He incurred Rs.5,000 on his own car. This car is also used for his employment purposes.
 - h. LIC premium paid by him on his own life Rs.20,000 on the life of his wife Rs.15,000

- i. Expenses on books Rs.5,000
- j. Profession tax paid by him Rs.200 pm

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UNIT - V

9. From the particulars given below, compute the income from house property of Smt. Chandana for the assessment year 2015-16 :

Municipal value, Rs.34,000.

Rent received (for 9 months), Rs. 18,000.

Fair rent, Rs.30,000.

Date of completion of construction : 30-9-1995.

Nature of use : Let-out for residential purpose.

Fire insurance, Rs.800.

Ground Rent, Rs.200.

Repairs, Rs. 1,500.

Land Revenue, Rs. 1,000.

Annual charge, Rs.2,000.

Vacancy : 3 months.

Municipal taxes, Rs. 1,500.

Rent collection charges, Rs.400.

Interest on loan taken to purchase the house, Rs.4,000.

Unrealized rent received, Rs.20,000 which was allowed as deduction in the earlier previous year.

Compute the Income from house property for the assessment year 2015-16

10. Sri Raja owns a big house, the construction of which was completed in May 2000. 50% of the floor area is let out for residential purpose on a monthly rent of Rs.3,500. However, this portion remained vacant for one month during previous year. 25% of the floor area is used by the owner for the purpose of his profession, remaining 25% of the floor area is utilized for the purpose of his residence. Other particulars of the house are as follows:

a. Municipal valuation Rs.60,000

b. Standard rent Rs.90,000

c. Municipal taxes paid Rs.12,000

d. Repairs Rs.3,000


e. Interest on capital borrowed for repairs Rs.28,000

f. Ground rent Rs.4,000

g. Annual charges Rs.3,000

h. Fire insurance premium Rs.6,000

Compute income from house property


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