

Seat No. : _____

AL-125

April-2016

M.Sc., Sem.-II (C.A. & I.T.)

Taxation Laws

Time : 2 Hours]

[Max. Marks : 50

1. (1) Duties of Assessing Officer. **10**
(2) Who is an Assessee ? What is Assessment year and previous year ?

OR

- (1) Explain the role of Appellant tribunal under Income tax Act, 1961.
(2) How to evaluate a person's Residential Status ?
2. (A) Mr. Malav retires on 15-04-2014 from a Ltd. Company. He was entitled to pension of ₹ 4,000 p.m. At the time of retirement he got 75% of the pension commuted and received ₹ 1,20,000 as commuted pension. Compute the taxable portion of the commuted pension if **5**
(i) He is also entitled to gratuity.
(ii) He is not entitled to gratuity.
- (B) Explain perquisite of Rent free furnished accommodation and Interest free concessional loan. **5**

OR

2. (A) Mr. Ranjit retires on 4-01-2015 after serving EFG Ltd. for a period of 16 years and 11 months. At the time of retirement his basic salary was ₹ 44,000 per month and he was also entitled to Dearness Allowance of ₹ 8,000 per month. On his retirement he received ₹ 6,00,000 as gratuity. Compute the amount of gratuity exempt from tax and amount to be included in gross salary. He is covered under payment of gratuity Act. **5**
- (B) List down any ten allowances and explain whether they are fully taxable, taxable with limit or exempt. **5**

3. Mrs. Jadeja owns three houses in Ahmedabad. The Particulars of the houses are as under :

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	House – I	House – II	House – III
Municipal Value	1,00,000	1,50,000	2,00,000
Fair Rent	1,40,000	1,80,000	2,40,000
Standard Rent	1,20,00	2,00,000	Nil
Actual Rent (per month)	12,000	17,500	21,000
Period of vacancy	Nil	1 month	6 months
Municipal taxes for the year	20% of	90,000	50,000
	Municipal value		
Municipal taxes paid during the year	20,000	80,000	30,000

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

4. Mr. Nishith carries on his own business. For the year ending 31-03-2015 his trading and profit and loss account was as follows :

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Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	2,20,000	Sales	62,89,000
Purchases	56,09,000	Closing Stock	2,52,000
Salaries	2,56,000	Interest on Hir Co. Ltd.	
Rent	61,000	Debentures	2,000
Bonus	3,000	Dividend from UTI	2,000
Printing, Postage and Stationary	4,000	Discount received	12,000
Miscellaneous expenses	4,000	Race winnings (Gross)	12,000
Advertisement expenses	22,000		
Drawings	12,000		
LIC premium	5,000		
Car expenses :			
Driver's salary	6,000		
Petrol and repairs	12,000		
Property tax	4,000		
Cost of NSC	6,000		
Net profit	3,45,000		
	65,69,000		65,69,000

Additional Information :

- (i) Advertisement expenses include cost of 20 gifts packs of ₹ 1,100 each presented to leading esteemed customers on occasion of Diwali.
- (ii) The car was used both for business and personal purpose. 2/3rd is for business purposes.
- (iii) The property tax of ₹ 4,000 was in respect of his self-occupied house whose rental value is ₹ 18,000.

Compute the Gross Total Income of Mr. Nishith.

5. Give the list of at least 10 items under the head Income from other sources :

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OR

Ms. Anshini submits you the following particulars :

Particulars	Date of Acquisition	Cost (₹)	Market value as 1-4-1981	Date of Sale	Sale price (₹)
Urban Agricultural land	1-5-1978	50,000	1,00,000	15-7-2014	14,00,000
Rural Agricultural land	4-4-1982	1,00,000	70,000	16-9-2014	12,00,000
Listed Shares	5-7-2011	60,000	20,000	04-6-2014	80,000
Gold	6-8-1982	50,000	45,000	05-2-2015	4,80,000

She deposited a sum of ₹ 4,00,000 on 25-6-2015 in the capital gain scheme as she intends to buy an agricultural land later. Compute Capital gain or loss. The shares were sold through a recognized stock exchange.

CII of 2014-2015 is 1024, Year 1982-1983 is 109, Year 2011-2012 is 785, 1981-1982 is 100.

