

Seat No. : _____

MJ-111

May-2022

Int. M.Sc. (CA & IT), Sem.-II

Taxation Laws

Time : 2 Hours]

[Max. Marks : 30

SECTION – I

Attempt any **three** questions out of **five** questions.

1. (A) What is Indirect Tax ? Discuss the features of Indirect Taxes. 4
(B) Mr. James, foreign cricketer comes to India for 100 days every year since the financial year 2010-11. Find out his residential status for the assessment year 2021-22. 4
2. (A) Compute gross salary of Mr. Akshay Kumar (resident) for the Assessment Year 2021-22 from the information given below : 4
Basic Salary ₹ 4000 p.m.
Dearness Allowance ₹ 750 p.m. out of which ₹ 300 p.m. enters into pay for employment purpose.
Advance Salary for two months ₹ 10,000.
Employer's contribution to RPF ₹ 800 p.m.
(B) Mr. Manish is employed in a company at Delhi. The following are the particulars of his salary income for the financial year 2021-22: 4
 - (1) Basic Pay ₹ 15000 p.m.
 - (2) Dearness Allowance ₹ 10,000 p.m.
 - (3) City Compensation Allowance 10% of salary.

- (4) Arrears of salary of earlier previous years received in accordance with the award of Pay Commission ₹ 30,000.
- (5) Received from the former employer, in appreciation of his services, ₹ 47,000.
- (6) Advance salary ₹ 15,000.
- (7) Bonus- two months' basic pay.

Compute his 'gross salary' for the assessment year 2021-22.

3. (A) Mr. Harry, a British national, is a resident and ordinarily resident in India during the P.Y. 2020-21. He owns a house in England, which he has let out at £ 20,000 p.m. The municipal taxes paid to the Municipal Corporation of London is £ 16,000 during the P.Y. 2020-21. The value of one £ in Indian rupee to be taken at ₹ 95. Compute Harry's Net Annual Value of the property for the A.Y. 2021-22. 4

- (B) Mr. Shlok owns five houses in India, all of which are let-out. Compute the GAV of each house from the information given below – 4

Particulars	House I (₹)	House II (₹)	House III (₹)	House IV (₹)	House V (₹)
Municipal Value	90,000	65,000	75,000	34,000	90,000
Fair Rent	1,00,000	70,000	75,000	35,000	85,000
Standard Rent	N.A.	85,000	68,000	N.A.	88,000
Actual rent received/ receivable	82,000	82,000	70,000	40,000	82,000

4. (A) Write a note on Capital Assets. 4
- (B) Write a note on Capital gain arising from the transfer of residential house property [Exemption under section 54]. 4
5. (A) From the following receipts and payments of Mr. Deepak (resident), compute his taxable income under the head Income from Other Sources : 4
- Winning from Himachal Pradesh State Lottery ₹ 14,000
- Winning from Horse Race ₹ 500
- Winnings from Gujarat State Lottery ₹ 15,000
- Winnings from Cross Word Puzzle ₹ 2,500
- Gift received from a friend in USA ₹ 1,00,000
- Winnings from Card Games ₹ 3,500
- Winnings from Camel race ₹ 20,000
- Purchase of Lottery Tickets ₹ 2,000
- (B) What is Business and Profession ? Discuss incomes included under Profits & Gains of Business (Any 4 income heads). 4

SECTION – II

- Attempt any **six** out of **eight**. 6
- (1) Under which Section defines Salaries ?
- (A) 15(1) (B) 17(5)
- (C) 17(1) (D) 15(5)
- (2) Leave encashment received during service by a govt. or non-govt. employee is
- (A) Fully exempted (B) Partially exempted
- (C) Fully taxable (D) Employer has to pay tax on it

- (3) A person includes:
- (A) Only Individual
 - (B) Only Individual and HUF
 - (C) Individuals, HUF, Firm, Company only
 - (D) Individuals, HUF, Firm, Company, AOP, BOI, Local Authority, Every Artificial Juridical Person
- (4) Who is Tax payer ?
- (A) Assessee
 - (B) Businessman
 - (C) Trust
 - (D) Farmer
- (5) Which one of the following is not an income from other sources ?
- (A) Interest on fixed deposit in bank
 - (B) Winnings from cross word puzzles
 - (C) Gift in excess of ₹ 50,000 from an unrelated person
 - (D) Profit on sale of building
- (6) Income from other sources is a ____.
- (A) Residual head of income
 - (B) Major head of income
 - (C) Income from a single source
 - (D) Constant and regular income
- (7) FRV stands for ____.
- (A) Full Rental Value
 - (B) Fair Rental Value
 - (C) Fair Rate Value
 - (D) Full Rate Value
- (8) Residential status to be determined for ____.
- (A) Previous year
 - (B) Assessment year
 - (C) Accounting year
 - (D) None of the above
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