

Seat No. : \_\_\_\_\_

**XU-119**

**April-2013**

**Five Year MBA Integrated (K.S.)**

**SYMBA**

**Direct Taxes**

**Time : 3 Hours]**

**[Max. Marks : 100**

1. (a) From the following information, find out net income of H, Mrs. H and their minor child S for the assessment year 2012-13 : **10**
- (1) H owns two houses :
- House 1 – It is let out on a monthly rent of ₹ 20,000. It is transferred for an adequate consideration to Mrs. H on January 1, 2011.
- House 2 – It is self-occupied. Construction was completed on July 7, 1997. H gifts this house to Mrs. H on December 1, 2012. The house was constructed out of borrowed money and the interest liability for the previous year 2011-12 is ₹ 34,000.
- (2) On January 1, 1995, H transfers 1,500, 14 percent debentures of ₹ 100 each of X Ltd. without any consideration to Mrs. H (interest is annually payable on December 31). Out of accumulated debenture interest, Mrs. H gives a loan to a friend and during 2011-12, she gets a sum of ₹ 6,500 as interest.
- (3) Mrs. H holds 25 percent equity shares in Y Ltd., a foreign company. On May 31, 2011, she gets ₹ 44,000 as dividend.
- (4) H is employed by Y Ltd. without any technical/professional qualification on a salary of ₹ 19,000 per month.
- (5) During 2007-08, Mrs. H transfers a sum of ₹ 3 lakh to a trust subject to the condition that the trust will annually pay ₹ 6,000 to H and ₹ 7,000 to her father-in-law.
- (6) H holds 20 percent preference share capital in G Ltd. (Dividend of ₹ 75,000 is received on January 17, 2012) where Mrs. H is employed at a monthly salary of ₹ 12,000. Mrs. H does not have adequate qualification.
- (7) S, a professional dancer, has income from the profession of dancing of ₹ 50,000 for the previous year 2011-12.
- (8) Out of accumulated income from dancing, S makes a fixed deposit with a Government company and interest of ₹ 12,000 is received during 2011-12.

- (b) From the following particulars, compute total taxable income and tax liability of Mr. Pravin for the assessment year 2012-13 : **10**

|  |            |
|--|------------|
| Income from salary                     | 2,40,000   |
| Income from house property             |            |
| Property A (let out)                   | 1,00,000   |
| Property B (self occupied)             | (20,000)   |
| Profit and gain from business          |            |
| Business I                             | 1,40,000   |
| Business II                            | (2,20,000) |
| Business III (Speculative)             | 50,000     |
| Business IV (Speculative)              | (1,20,000) |
| Income from capital gains              |            |
| Long term capital gain                 | 50,000     |
| Long term capital loss                 | (2,00,000) |
| Short term capital gain                | 1,00,000   |
| Income from other sources              |            |
| Bank Interest                          | 20,000     |
| Winning from lotteries (gross)         | 1,00,000   |
| Dividend received from foreign company | 50,000     |
| Income from card games                 | 60,000     |
| Loss from card games                   | (20,000)   |

The following items have been brought forward from the preceding year :

|                             | ₹      |
|-----------------------------|--------|
| (1) Unabsorbed depreciation | 70,000 |
| (2) Long term capital loss  | 20,000 |
| (3) Short term capital loss | 50,000 |

2. (a) Attempt the following : 8
- (1) Explain the scheme of partial integration of agricultural income with the total income for computing tax liability.
- (2) Define Agricultural Income.

**OR**

- (a) Mr. Kirtan, a resident in India, aged 36 years, earned agricultural income of ₹ 4,50,000 during the previous year 2011-12 :

Other non-agricultural income includes :

|                                     | ₹             |
|-------------------------------------|---------------|
| Salary income                       | 2,40,000 p.a. |
| Rental income from house property A | 1,00,000 p.a. |
| Long term capital gain              | 1,00,000      |
| Short term capital gain (u/s 111A)  | 1,20,000      |
| Winning from horse race (net)       | 70,000        |

Compute tax liability for assessment year 2012-13.

- (b) Attempt any **two** : 12
- (1) Deduction in respect of Life Insurance Premium, deferred annuity, contribution to provident fund, etc. under section 80 C.
- (2) Deduction in respect of maintenance including medical treatment of a dependent who is a person with disability under section 80 DD.
- (3) Deduction in respect of rent paid under section 80 GG.
- (4) Deduction in respect of profits and gains from undertaking engaged in generation of power under section 80-IA.

3. (a) Attempt any **two** : 10
- (1) Summery Assessment
- (2) Loss return and defective return
- (3) Income escaping assessment

- (b) Write a detailed note on Permanent Account Number. 10

**OR**

- (b) Write a detailed note on signing authorities in case of PERSON (Section 140).

4. Mr. Yagnik Gupta, who was born on 28-03-1970 is employed on a monthly salary of ₹ 25,000 in Delhi. Following are other particulars about his income : **20**

|   | <b>₹</b> |
|---|----------|
| (1) Dearness Allowance (not forming part of retirement benefit)   | 1,00,000 |
| (2) Entertainment Allowance   | 60,000   |
| (3) Project Allowance   | 11,000   |
| (4) Medical Allowance   | 10,000   |
| (5) Education Allowance (for 3 children)  | 5,400    |
| (6) Hostel Allowance (for one child)  | 6,600    |
| (7) Employer's contribution to recognized Provident Fund  | 46,000   |
| (8) Interest credited to RPF @ 15% p.a.   | 60,000   |
| (9) Medical bill reimbursed by employer   | 22,000   |
| (10) Electricity bill paid by employer  | 8,000    |
| (11) Bonus  | 30,000   |
| (12) Employer has provided a rent free furnished accommodation in Delhi. (Accommodation is owned by employer) |          |
| Value of furniture  | 2,00,000 |
| (13) Rent received from house property  | 2,00,000 |
| (14) Income from cloth business   | 1,20,000 |
| (15) Long term capital gain on sale of land   | 2,00,000 |
| (16) Short term capital loss on sale of land  | 50,000   |
| (17) Dividend received from UTI   | 5,000    |
| (18) Dividend received from Co-operative society  | 2,000    |
| (19) Bank Interest  | 5,000    |
| (20) Mr. Yagnik received share of profit from partnership firm  | 2,00,000 |
| (21) Life Insurance Premium   | 6,000    |
| (22) Investment in Public Provident Fund  | 20,000   |
| (23) Investment in National Saving Scheme   | 50,000   |
| (24) Donation in Public Charitable Trust  | 10,000   |
| (25) Contribution in Unrecognized Provident fund  | 20,000   |

Find out total Income and Tax Liability of Mr. Yagnik for the assessment year 2012-13.

5. (a) Write a detailed note on "Interest other than interest on securities." (Section 194 A) **10**
- (b) Attempt the following : **10**
- (1) When an assessing officer can issue order for payment of advance tax ?
  - (2) Explain TDS provision regarding payment under national saving scheme under section 194 EE.