



Seat No. : _____

XY-136

Five Years M.Sc. (CA & IT) Integrated (K.S.)

2nd Sem. F.Y.M.Sc.

April-2013

Taxation Laws

Time : 2 Hours]

[Max. Marks : 50

1. (a) Define the following (any **five**) : 5
- (1) Assessment
 - (2) Person
 - (3) Income-tax
 - (4) Casual Income
 - (5) Assessment year
 - (6) Previous year
 - (7) Income

- (b) Mr. Ramson is a foreign citizen, though employed in a foreign country, has frequently visited India for company's work as stated below : 5

Previous Year	No. of days stayed
2007-08	269
2008-09	255
2009-10	365
2010-11	44
2011-12	67

Determine his residential status for the assessment year 2012-13.

OR

- (a) Write a short note on CBDT. 5
- (b) The following are the incomes of Mr. Abhishek for the P.Y. 2011-12 : 5
- (1) A business income earned in India ₹ 6,40,000.
 - (2) Business income earned in Sri Lanka ₹ 20,000. The head office of such business is situated in Chennai.
 - (3) Income earned and received abroad ₹ 1,50,000 of which he has brought ₹ 15,000 in India.
 - (4) Incomes earned abroad in earlier previous years but brought in India during the P.Y. (2011-12) ₹ 90,000.

Calculate his total income for all the residential status.

2. Attempt any **two** :

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- (1) Shri Parag retires on 14-6-2010 after 32 years and 6 months of service. At the time of retirement he received gratuity of ₹ 1,70,000. His basic pay during the calendar years 2009 and 2010 was ₹ 7,000 and ₹ 8,000 per month respectively.

Compute the taxable amount of gratuity for the Assessment Year 2011-12.

- (2) Shri Mihir (employed in Bangalore) provides following details for the previous year 2011-12 :

(1) Basic pay : ₹ 2,00,000

(2) Dearness Allowance : ₹ 1,00,000

(3) Bonus : ₹ 10,000

(4) House Rent Allowance : ₹ 36,000

(5) Rent paid at the rate of ₹ 3,000 per month for his residence. From 1st, February, 2012, he vacated the rented residence and moved to his own house.

(6) Only 40% of the Dearness Allowance is being considered for the retirement benefits.

Compute exempted amount of House Rent Allowance for the assessment year 2012-13.

- (3) Shri Mihir Gupta is the General Manager of a company at Kanpur. Determine the value of the perquisite in respect of rent-free furnished house from the following details of his salary for the previous year 2011-12 :

(i) Basic salary : ₹ 30,000 p.m. upto 30-09-2011

₹ 40,000 p.m. from 1-10-2011

(ii) D.A. : 37.5% of basic salary (50% of which is considered for Provident Fund)

(iii) Commission : ₹ 9,000 p.m. which is increased to ₹ 12,000 p.m. from 1-1-2012.

(iv) Bonus : 1/5 of the annual basic salary.

(v) Perquisite of furnished accommodation :

The house was actually used by the employee for residential purposes from 1-4-2011 to 30-11-2011. The annual fair rent of this house owned by the company is ₹ 1,80,000. The company has provided furniture for which the company pays actual rent of ₹ 36,000 p.a.

3. Shri Dinesh Shah and Shri Arvind Patel are the co-owners in housing properties. Their shares in house properties and incomes are 45% and 55% respectively. They have two properties "Vasant" and "Vihar" respectively. 10

Particulars of these properties are as under :

Particulars	Vasant	Vihar
Monthly Rent	4,000	8,000
Municipal tax (@ 20% of Municipal Valuation)	12,000	18,000
Land Revenue	400	1,200
Fire Insurance Premium	640	800
Salary to Rent Collector	2,400	3,000
Interest on loan taken for improvement in house	20,000	10,000
Vacancy period	3 months	–

Compute the total Gross Income of Shri Dinesh Shah and Shri Arvind Patel for the A.Y. 2012-13 after taking into consideration the following further information :

Particulars	Dinesh Shah	Arvind Patel
Gross Annual Value of Self-occupied house	8,400	9,000
Municipal Taxes	800	1,000
Interest on loan taken for purchase of house	14,900	12,200

4. Compute the capital gains chargeable to tax of Shree Janak Kumar from the following details for the A.Y. 2011-12 : 10

No.	Date of Purchase	Selling Price	Transfer charges	Cost	Particulars of assets
1.	1-1-68	23,86,000	11,000	1,50,000	Only self-occupied house
2.	1-6-05	3,51,200	–	1,59,040	Shares of Reliance Ltd.
3.	1-3-94	1,54,700	4,000	73,200	Shares of Arvind Ltd.
4.	1-9-85	22,06,100	11,000	3,99,000	Jewellery

He had sold old self-occupied house on 15-3-11 and purchase a new house for ₹ 2,02,000 on 1-1-2010.

On 1-4-81 the fair market value of self-occupied house and jewellery were ₹ 3,00,000 and ₹ 1,80,000 respectively. Shares of both the companies (sold on 1-11-2010) were subject to STT.

Required Index

2010-11 = 771

1981-82 = 100

2005-06 = 497

1993-94 = 244

1985-86 = 133

5. Shri Akram has furnished the following particulars of his investments for the year ending 31st March 2012 : 10

- (1) ₹ 24,000 10% Tax-free Debentures of X Ltd. (T.D.S. at 20.60%)
- (2) ₹ 54,000 7% Gujarat Government Loan.
- (3) ₹ 5,000 6½ % Treasury Savings Deposit Certificates.

On 31-7-2011 he had sold ₹ 20,000 7% Gujarat Government loan out of ₹ 54,000 held on 1-4-11 and invested ₹ 40,000 in 10% Tax Free Debentures (TDS 20.60%) purchased at par on that date. He had borrowed ₹ 15,000 at 15% per annum interest. Interest was paid on 30th June and 31st December.

- (4) Dividend received on shares of Foreign Companies ₹ 6,000.
- (5) He had received the following agriculture income during the P.Y.
 - (a) From Agriculture land situated in India ₹ 85,000.
 - (b) From Land situated outside India ₹ 25,000.

Calculate his taxable income for the A.Y. 2012-13 under the head "Income from other sources".

OR

Shri Kumble is a practicing Doctor. From the following Cash Account for the year ended 31-3-12, calculate his taxable income from profession : 10

Particulars	₹	Particulars	₹
To Opening Balance B/D	52,750	By Hospital Rent	1,54,000
To Rent of Operation Theatre	1,20,000	By Hospital Exps.	25,000
To Consultation Fees	2,12,000	By L.I.C. Premium	3,000
To Gift received from patients	20,000	By Investment in P.F.	30,000
To gift received from relatives on birthday	3,500	By Fire Insurance Premium :	
To Sale of medicines	1,20,000	Hospital	10,000
To Sale of surgical equipments	10,000	Residence	<u>5,000</u>
To Bank Interest	2,200		15,000
To Int. on Deposits	1,500	By Municipal Taxes :	
		Hospital	5,000
		Residence	<u>3,000</u>
			8,000
		By Drawings	30,000
		By Purchase of medicines	1,10,000
		By Purchase of surgical equipments (1-1-12)	75,000
		By Vehicle Exp. (personal)	20,000
		By Balance C/F	71,950
	5,41,950		5,41,950

Additional Information :

- (1) He has earned salary of ₹ 56,000 from Medical College.
- (2) Opening Balance of surgical equipments after initial depreciation was ₹ 75,000. The rate of depreciation is 25%.
- (3) Opening stock of medicine was ₹ 35,000 and closing stock was ₹ 45,000.