

Seat No. : _____

AC2-25

April-2018

S.Y. M.B.A. Integrated

Direct Taxes – II

Time : 3 Hours]

[Max. Marks : 100

1. (a) Answer Any **two** from the following : **10**

- (1) Discuss the provisions of set off and carry forward of Income under capital gains.
- (2) Explain the provisions of clubbing of Income of minor child.
- (3) “An assessee is not only liable in respect of his own incomes for tax purpose but his liability may extend to some other incomes also.” Comment on this Statement.

(b) Ms. Manavsi submits the following particulars of his income and loss for Assessment Year 2017-2018. **10**

Particulars	Amount (₹)
Income from House property (computed)	75,000
Income from interest from a firm	6,500
Profit from cloth business (before depreciation)	2,10,000
Income from speculation business	26,000
Loss from garment business	10,000
Long term capital gain on sale of urban land	65,500
Short term capital loss on sale of gold	15,000
Dividend from UTI (gross)	1,500
Current year's depreciation	10,000
The following items has been brought forward from preceding years :	
Loss from cloth business	40,000
Unabsorbed depreciation	20,000
Loss from speculative business	25,000
Short term capital loss	1,000
Long term capital loss	8,000
You are required to compute gross income and deal with carry forward of losses.	

2. Answer the following (any **four**) :

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- (1) Define Agricultural Income and give the list of incomes which are Non-Agricultural Incomes though connected with land.
- (2) Explain the meaning and importance of Agricultural Income and Partly Agricultural Income under Income Tax Act, 1961.
- (3) Explain deduction under section 80GG in respect of Rent Paid
- (4) What are the conditions to claim deduction under section 80DD?
- (5) The total income of Mrs. A, resident in India, computed for Assessment Year 2017-18 is ₹ 3,20,000 which includes long term capital gain of ₹ 30,000 and winnings from lotteries ₹ 20,000 and short term capital gain covered under section 111A ₹ 10,000. Compute the tax liability assuming that agricultural income is ₹ 2,50,000.

3. Answer any **two** from the following :

- (a) Mrs. Madhuri Gupta is a professor in the department of Economics in Delhi University. The following are the particulars of her income for the Assessment Year 2017-18 :

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- (1) Basic pay ₹ 70,000 per month.
- (2) Dearness Allowance @ 30% of salary.
- (3) House Rent Allowance 30% of basic salary.
- (4) Medical Allowance ₹ 600 p.m.
- (5) Warden-ship allowance ₹ 2,000 p.m.
- (6) Rent from house property ₹ 4,000 p.m.
- (7) Interest received from Government securities ₹ 10,000.
- (8) Dividend received from Indian company ₹ 4,200.
- (9) Interest on Savings Bank Deposits ₹ 15,000.
- (10) Contribution to Recognised Provident Fund 10% of basic salary.
- (11) Premium paid by cheque on medical insurance policy on health of dependent mother ₹ 15,000, ₹ 3,000 for dependent mother-in-law and ₹ 2,000 for dependent brother.
- (12) Donation to approved charitable institution ₹ 1,00,000.
- (13) House rent paid ₹ 28,000 p.m.
- (14) Winnings from lotteries ₹ 50,000.

Compute her total income and tax liability for Assessment Year 2017-18.

- (b) Mr. Anna is a person with disability, whose gross total income for the Assessment Year 2017-2018 is ₹ 10,00,000 (which includes ₹ 60,000 long term capital gain, ₹ 40,000 lottery income, ₹ 1,65,000 Royalty for writing book of artistic nature.) submits the following information : 10
- (1) Contribution to PPF ₹ 1,35,000
 - (2) Life insurance premium paid for his own life ₹ 20,000 (sum assured ₹ 3,00,000)
 - (3) Medi-claim premium for himself and wife ₹ 26,000 and for parents ₹ 40,000 paid by cheque. Parents being senior citizens.
 - (4) Donation to National Relief fund ₹ 8,000
 - (5) Donation to Indira Gandhi Memorial trust ₹ 6,000
 - (6) Donation of blankets to an orphanage worth ₹ 5,000
 - (7) Donation to Govt. for family planning ₹ 36,000
 - (8) Donation to approved charitable trust ₹ 70,000
 - (9) Interest on savings bank account 12,000
- Compute Gross Total Income and Tax Liability for Assessment Year 2017-2018.

- (c) The following is the Profit and Loss Account of a trader for the year ending 31st March, 2017 : 10

Particulars	Amount (₹)	Particulars	Amount (₹)
Rent of business premises	96,000	Gross profit	8,38,500
Staff salaries	4,20,000	Prize from lotteries	37,500
Printing, stationery and postage	15,000	Income from Govt. securities	25,000
Telephone	20,000	Dividend from U.T.I.	5,000
Purchase of trade mark	41,500	Interest from post office savings bank	22,000
Audit fees	8,000	Long term capital gain	22,000
Life insurance premium	10,000		
Depreciation on fixed assets	30,000		
Gifts	3,000		
Reserves	30,000		
Net profit	2,76,500		
	9,50,000		9,50,000

Additional information :

- (1) Life insurance premium is in respect of a deferred annuity policy for ₹ 1,50,000.
- (2) The depreciation as per Income tax is ₹ 40,000
- (3) The rate of depreciation on trade mark is 25%. It was purchased on 31/10/2016.
- (4) The long term capital gain is in respect of sale of Gold.

Compute taxable income and tax liability for Assessment Year 2017-18.

4. Write a note on any **five** from the following : **20**

- (1) Belated Return
- (2) Self-Assessment
- (3) Revised Return
- (4) Permanent Account Number
- (5) Defective return
- (6) Due dates of filling returns

5. Answer any **four** from the following : **20**

- (1) The estimated gross total income of Mr. Raja is ₹ 8,20,000 which includes ₹ 1,00,000 as LTCG earned on 16th September, 2016. Compute the Advance Tax Payment of Mr. Raja, assuming that ₹ 11,000 has been deducted at source during Financial Year 2016-17.
- (2) Deduction of tax from Salary
- (3) Deduction of tax from Interest on Securities
- (4) Deduction of tax at source from winning from lotteries or cross word puzzles
- (5) Distinguish between Advanced Tax, Tax deducted at source and Tax collected at source.