



DMM-2721
Second Year B. Com. (Sem. IV) (Honours)
Examination
April/May – 2016
CC-405 B : Income Tax : Paper - IV

Time : Hours]

[Total Marks : 50

Instruction :

<p>नीचे दृष्टावेक निशानीवाणी विगतो उत्तरवडी पर अवश्य बपवी. Fillup strictly the details of signs on your answer book.</p> <p>Name of the Examination : SECOND YEAR B. COM. (SEM. IV) (HONOURS)</p> <p>Name of the Subject : CC-405 B : INCOME TAX : PAPER - IV</p> <p>Subject Code No. : 2 7 2 1 Section No. (1, 2,.....) : Nil</p>	<p>Seat No. : <input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/></p> <div style="border: 1px solid black; border-radius: 15px; padding: 10px; text-align: center; width: 100%;">Student's Signature</div>
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- 1. Answer the following: (12)**
1. Mr. Jai furnishes the following particulars of his income for the Previous Year ended as on 31/3/2015. Compute his taxable income under the head income from other sources: **(4)**
 - a. Winnings from Madhya Pradesh State Lottery Rs. 28,000.
 - b. Gift received from a friend in London Rs. 1,00,000.
 - c. Rs. 15,000 – 9% Municipal debentures.
 - d. Rs. 12,000 – 12% Tax free commercial securities. (unlisted)
 - e. Rs. 30,000 – 8% Port Trust Bonds.
 - f. Dividend from foreign company Rs. 4,360. The company deducted tax at source Rs. 1,000.
 - g. Winnings from camel race Rs. 30,000.
 - h. Directors fee Rs. 1,800.
 2. Shri Dipak purchased machinery of Rs. 14,00,000 on 1/4/2013. He also purchased second machinery of Rs. 6,00,000 of the same group on 1/1/2014. He sold machinery of Rs. 8,20,000 of the same group on 1/5/2013 and paid Rs. 20,000 as sales expenses. Approval rate of depreciation is 30%. Compute recoverable depreciation for Assessment Year 2015-16 **(4)**
 3. Miss. Nilam has made the following investments during the PY 2014-15: **(4)**
 - 1) Deposit made in P.P.F Account.....Rs. 70,000
 - 2) Life Insurance Premium paidRs. 5,000
 - 3) Repayment of Housing Loan (Including interest Rs. 15,000)Rs. 45,000
 - 4) Deposit made in Dena Bank Saving Bank Account.....Rs. 8,000
 - 5) Paid tuition fee of his child.....Rs. 29,000
 - 6) Investment in shares of infrastructure company.....Rs. 65,000Determine the amount of deduction available U/s 80 C.

2. Find out the taxable capital gain according to Section 54 F for the Assessment Year 2015-16 from details given below of Shri Madhav: (14)

Assets	Dt. of purchase	Purchase price Rs.	Sales price	Sales expenses
1. Land situated in Baroda city	1/2/1982	30,000	4,40,000	3,500
2. Jewellery	10/1/1986	1,56,000	10,08,000	1,000
3. Shares of olpad sugar factory	1/1/1991	65,400	10,55,000	1,100
4. Listed debentures of Kishan ltd.	2/12/2000	1,58,200	2,40,000	500
5. Motor car (personal use)	11/12/2010	3,50,000	1,80,000	--
6. Residential flat	1/4/2014	30,00,000	--	--
7. Unlisted Debentures of Kanaiya ltd.	30/3/2002	3,82,000	5,30,000	--
8. Agricultural land in rural area	10/2/2001	2,00,000	9,99,000	--

On 1/12/14 all the above assets (excluding residential flat) were sold. Security Transaction Tax was not been charged on sales of securities. The cost inflation index numbers are as under: 1981-82: 100, 1985-86: 133, 1990-91: 182, 2000-01: 406, 2001-02: 426, & 2014-15: 1024.

- 3 a) The following is the Profit & Loss account of Mr. Ranjit for the year ending 31st March 2015. (8)

Particulars	Rs.	Particulars	Rs.
To salaries	1,65,000	By gross profit	2,50,000
To office expenses	18,000	By bad debts recovered	10,000
To depreciation	14,000	By dividend	3,000
To sales tax	9,000	By commission	10,000
To legal expenses	8,000	By rent of house property	9,000
To income tax	7,000	By brokerage	10,000
To patents purchased (1/8 th)	12,000	By sundry receipts	5,000
To repairs	6,000	By share of income from HUF	3,000
To donation	2,000		
To provision for bad debts	3,000		
To general expenses	12,000		
To net profit	44,000		
	3,00,000		3,00,000

Additional information:

- Salary includes Rs. 6,000 paid to workers employed at home.
 - Legal expenses includes Rs. 1,000 paid to the advocate in connection with personal case.
 - General expenses includes Rs. 4,000 as contribution to staff welfare fund.
 - Out of the bad debts recovered only Rs. 4,000 were allowed as deduction earlier.
- Compute his income from salary for the assessment year 2015-16.

3. b) Mr. Patel's following details for the Previous year 2014-15 are given below.

Find out taxable income for the Assessment year 2015-2016: (6)

Particulars	Rs.
1. Long term capital gain from sales of jewellery	1,50,000
2. Profit from stationery business	1,00,000
3. Short term capital gain from sales of shares	70,000
4. Profit of speculative business	2,00,000
5. Loss in business of garment	10,000
6. Short term capital loss from sales of debentures	50,000
7. Information for Previous Year 2013-14:	
a. Unabsorbed depreciation	10,000
b. Carry forward the loss from speculative business	1,00,000
c. Carry forward the loss from house property	10,000
8. Taxable income from house property	60,000

4 Write short notes on (any two):

(10)

1. Tax deducted at sources from salary (Section 192)
 2. Types of securities and grossing up of interest
 3. Provision of advance payment of tax (Section 210)
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