



SN – 346

53 -
V Semester B.Com. Examination, November/December 2013
(Semester Scheme)
(Prior to 2013-14)
COMMERCE
Paper – 5.2 : Income Tax – I

Time : 3 Hours

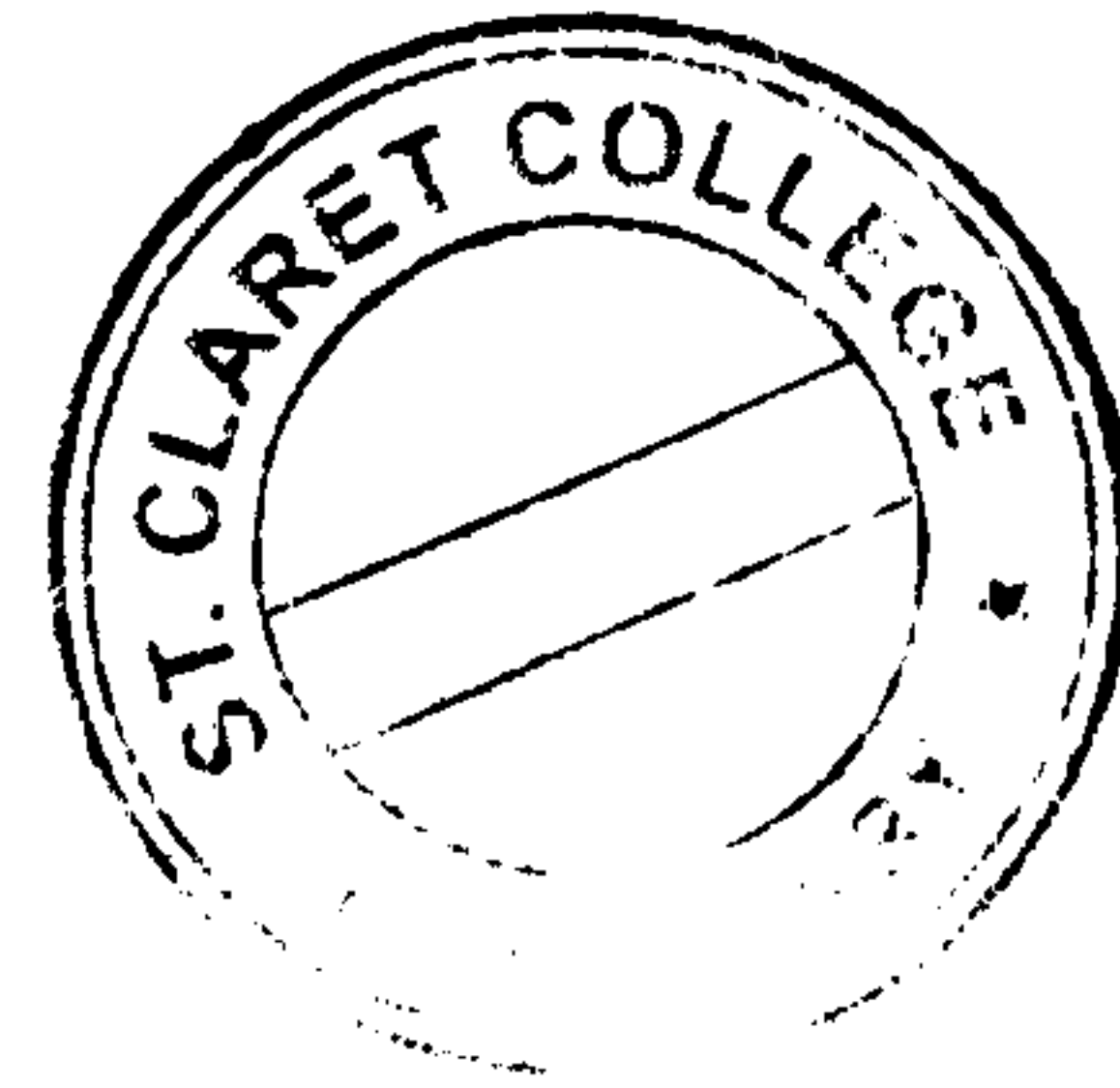
Max. Marks : 90

Instruction : Answer should completely be either in **Kannada** or **English**.

SECTION – A

Answer **any ten** sub-questions, **each** sub-question carries **two** marks. (10×2=20)

1. a) Who is specified employee ?
- b) Define the term “Assessment Year”.
- c) What do you mean by indirect tax ?
- d) Give the meaning of De-facto rent.
- e) How are the employees classified for calculation of taxable gratuity ?
- f) Write any four taxable allowances under salary income.
- g) What is Agricultural income ?
- h) Define annual value.
- i) Give the meaning of salary for calculation of exempted house rent allowance.
- j) Write the first additional condition U/S 6(6) to be satisfied by an individual to consider him as ordinarily resident of India.
- k) Mention the standard deduction allowable in calculation of taxable income from house property.
- l) What do you mean by capital expenditure ?



P.T.O.



SECTION – B

Answer **any five** questions, **each** question carries **five** marks.

(5×5=25)

2. What is meant by capital receipt ? Give examples.
3. Mr. Jestadev citizen of India left India on employment for the first time for Japan on 25-7-2008 and joined a firm there. He came to India on 15-9-2012 on a visit and left India on 20-3-2013 and joined his original company in Japan. Determine his residential status for the assessment year 2013-14.
4. Shri Sharadaprasad, an employee of a limited company retires from service on 31-12-2012. His monthly pension fixed at ₹ 6,000. He commutes his two-fifth pension and receives ₹ 80,000 towards it. Date of commutation being 1-3-2013. Calculate his total taxable pension for the assessment year 2013-14.
5. Shri Shiva is appointed as a general manager of a company with following financial benefits :
 - i) Basic salary ₹ 60,000 p.m.
 - ii) Dearness allowance ₹ 16,000 p.m. (30% enters in to retirement benefits)
 - iii) Commission 10% of basic salary.
 - iv) Bonus equal to 3 months basic salary.
 - v) House rent allowance ₹ 15,000 p.m.
 - vi) Commission on sales @ 0.5 percent, sales made by him in the previous year 2012-13 ₹ 8,00,000.
 - vii) He is presently working in Mumbai and residing in a rented house. Rent paid by him is ₹ 30,000 p.m.Calculate exempted house rent allowance received by him in the previous year 2012-13.



6. Find out the gross annual value in the following cases for the assessment 2013-14

	I house	II house	III house
	₹	₹	₹
Actual rent	1,20,000	1,40,000	1,30,000
Fair rent	1,30,000	1,25,000	1,10,000
Standard rent	1,25,000	1,30,000	1,35,000
Municipal value	1,23,000	1,35,000	1,25,000

7. Sri Vinayaka takes a loan of ₹ 15,00,000 @ 16% p.a. for construction of a business shop (which is meant for let-out) on 1-4-2010. Every year on last day he pays annual premium of ₹ 1,00,000 principal plus interest of the year.

Find out the interest on loan allowable in calculation of taxable income from house property for the assessment year 2013-14.

8. What is the meaning of salary in calculation of

- a) Gratuity exempted, received under Gratuity Payment Act, 1972
- b) Taxable house rent allowance.

9. Calculate the taxable income from house property of Mr. Shylendra for the assessment year 2013-14 from the following particulars.

House at Bangalore :

Municipal Value ₹ 60,000

Fair rent ₹ 76,000

Let out on a monthly rent of ₹ 7,000

He incurred the following expenses towards this house :

Municipal tax paid ₹ 6,000

Repairs ₹ 5,000

Interest on loan taken for the construction of house ₹ 10,000



SECTION – C

Answer **any three** of the following. **Each** carries 15 marks.

(3×15=45)

10. Shri Gunadhara, an employee of Adhara (P) Ltd. receives the following salary and perquisites from his employer company during the previous year 2012-13.

- i) Basic Salary (Annual) ₹ 96,000.
- ii) Profit bonus ₹ 4,500.
- iii) Commission on sales @ 2% on sales (Sales achieved by him in the previous year 2012-13 ₹ 4,50,000).
- iv) Advance salary of April, May and June 2013 ₹ 24,000.
- v) Employer's contribution to Recognised Provident Fund ₹ 13,220.
- vi) Interest credited to RPF @ 14.5% ₹ 8,700.
- vii) Conveyance allowance ₹ 300 p.m. (@ ₹ 100 p.m. spent).
- viii) A rent free furnished house @ Delhi.
Lease rent of the house paid by the employer.
Rent ₹ 78,550 p.a.
Rent of the furniture paid by the company ₹ 2,000 p.m.
- ix) Free service of gardner salary ₹ 6,000 p.m.
- x) Free service of personal attendant salary ₹ 7,200 p.m.
- xi) Free service of watchman salary ₹ 8,000 p.m.

Compute his taxable salary income for the previous year 2012-13.

11. The particulars of income from house properties of Smt. Anitha for the assessment year 2013-14 are given below :

	House Properties	
	X	Y
	₹	₹
Municipal value	1,80,000	1,90,000
Fair rent	1,90,000	1,80,000
Standard rent	1,70,000	1,75,000
Interest on loan	18,000	20,000
Unrealised rent for 2012-13	—	5,000



	X	Y
	₹	₹
Municipal tax	10% of M.V.	10% of M. V.
Repairs	10,000	5,000
Land Revenue	5,000	1,000
Collection Charges	600	1,000

House Y was let-out on a monthly rent of ₹ 16,000 from 1-5-2012 and it was vacant in April 2012.

$\frac{3}{4}$ th of house X was self-occupied by the assessee and remaining portions was let-out on a monthly rent of ₹ 3,500.

Compute the income from house properties of Smt. Anitha for the assessment year 2013-14.

12. Shri Johan, a foreign national, received the following incomes in the previous year relevant to assessment year 2013-14.

- i) Profit from business in South Africa controlled from Delhi ₹ 56,000 (One-fourth received in India).
- ii) Income from sale of land situated in Agra municipal corporation limit ₹ 20,000.
- iii) Rent from house property in Ahamadabad but received in Japan ₹ 15,000.
- iv) Dividend from Indian Company mainly operating in Japan ₹ 60,000.
- v) Profit on sale of Jewellery held as investment in South Africa ₹ 10,000.
- vi) Income from sale of agricultural land in Karachi ₹ 65,000.
- vii) Salary from the company of UK, operating in Bangalore ₹ 16,000.
- viii) He brought his past untaxed foreign income in the financial year 2012-13 to India.

Shri Johan came to India for the first time on 1-9-2006 and stayed here upto 15-3-2007. In the subsequent financial years he comes to India on a business visit and stays over a period of 110 days in each financial year including in the financial year 2012-13.

Determine his residential status for the assessment year 2013-14 and ascertain his gross total income from the above particulars.



13. Shri Ravinandana owns two house properties one at Bangalore and another one at Mysore. The particulars of such house properties for the financial year 2012-13 are given below :

	Bangalore House – A	Mysore House – B
	₹	₹
Annual Rent	6,00,000	4,20,000
Standard Rent	3,00,000	5,00,000
Fair Rent	3,50,000	3,20,000
Municipal value	3,60,000	3,50,000
Municipal taxes paid	20,000	25,000
Repairs paid by the assessee	5,000	6,000
Fire insurance	15,000	7,000
Land revenue	16,000	14,000
Unrealised rent for 2012-13	5,000	40,000
Unrealised rent for 2010-11	–	25,000
Vacant period (in months)	2	4
Allowance for vacancy period	1,00,000	1,40,000
Interest on loan for constructions of house	–	20,000
Nature of occupation	Let out for business	Let out for residence

Determine the taxable income from house property of Shri Ravinandana for the assessment year 2013-14.

14. Shri Ramanarayana, an employee of Bharath Traders Bangalore, draws following salary and other benefits from the company for the year ended 31-3-2014
- Net basic salary after deduction of own contribution to RPF and tax at sources ₹ 4,80,000.
 - Tax deducted at source ₹ 30,000.
 - Own contribution to RPF ₹ 90,000.
 - Company's contribution to employee's RPF ₹ 90,000.



- v) Interest credited to RPF in the previous year ₹ 4,800 @ 16% p.a. interest.
- vi) House rent allowance ₹ 5,000 p.m.
- vii) Medical allowance ₹ 1,000 p.m.
- viii) Hostel allowance to his 3 children @ ₹ 350 p.m. per child:
- ix) Children education allowance to his 3 children @ ₹ 200 p.m. per child.
- x) Daily allowance for journey on official tour @ ₹ 300 per day for 50 days in this year.
- xi) Professional tax of ₹ 3,000 paid by the company on behalf of Ramanarayana.
- xii) Company has provided furniture to Ramanarayana @ ₹ 75,000.
- xiii) Entertainment allowance @ ₹ 300 p.m. (amount spent on entertaining the customers : ₹ 200 p.m.)

Calculate the taxable salary income Shri Ramanarayana for the assessment year 2013-14, assuming that he is residing in his father-in-laws house for which he