

Examination May-2014

Roll No _____

B.COM PROFESSIONAL (SEM – 5th)
INCOME TAX – 1
SUBJECT CODE : BCOP 502
 Paper ID-B1151

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TIME : 03 HRS**M.M : 60****Instructions to candidates:**

- 1) Section – A is compulsory.
- 2) Attempt any four questions from Section – B.

Section – A

Q1) Write short notes on (10 × 2 = 20)

- a. Define the term Previous Year and Assessment year.
- b. What is Recognised Provident Fund?
- c. What is depreciation? How it is charged under the Income tax Act?
- d. When a company is said to be resident?
- e. Explain casual Incomes
- f. What is the treatment of preliminary expenses under the head profits and gains of business or profession?.
- g. Explain deemed dividend under the head Income from other sources.
- h. Explain any four taxable Allowances.
- i. Explain deduction u/s 80GG.
- j. Explain unabsorbed depreciation.

Section – B

(4 × 10 = 40)

- Q2) Explain the provisions of Income tax Act, 1961 regarding set off and carry forward of losses under different head of income
- Q3) Define 'Annual Value'. How it is computed? What deductions are allowed from the net annual value in computing taxable income from house property?
- Q4) Explain any 20 exempted incomes as provided under section 10 of Income tax Act.
- Q5) Explain in detail the deduction under section 80G of Income tax Act.
- Q6) Mr. X owns 2 acres of agricultural land in an urban area of Ludhiana which he sold on 30th Nov 2012 @ Rs 50 lacs per acre. Other particulars are:
 1. Cost of 2 acres of land purchased in 1977 Rs 6 lacs.
 2. F.M.V as on 1-4-1981 Rs 9 lacs.
 3. Selling expenses Rs 1 lac.
 4. He owns one residential house on 30-11-2012.
 5. Date of filing of return of income is 31s july, 2013
 6. Mr. X purchased 10 acres of agricultural land in a rural area for Rs 10 lacs on 10th June, 2013.

7. On 15-12-2012 Mr X purchased a residential building for Rs 7 lacs at Ludhiana.
8. He deposits Rs 14 lacs in a scheduled bank in a capital gain deposit scheme on 30-07- 2013.
9. He invested Rs 5 lacs in bonds of national highway authority of India on 31-03- 2013.
Compute the taxable amount of capital gain for the previous year 2012-13 (CII- 1981-82=100, 2012-13=852)
Assume that he actually withdraws Rs 7lacs from the deposit account to complete his residential house. Find deemed capital gain.

Q7) Mr. Y who is resident of India furnished the following particulars of his investments for the previous year ended 31st march 2013.

1. Rs 10000 units of mutual fund (Gross income Rs 12100).
2. Rs 10000 in post office savings bank account which earns interest @3.5% per annum.
3. Rs 45000 @ 9% in fixed deposits account with Allahabad bank.
4. Rs 40000 12% debentures of tea company(Listed).
5. Rs 2000 interest received on national development bonds.
6. Rs 1000 dividend received from a co-operative society.
7. Rs 20000 10% U.P state electricity board bonds.
8. Rs 10000 9% national relief bonds.
9. Rs 36000, 10% tax free debentures of Agra Municipal Corporation.
10. Rs 900 received by an account payee cheque as interest on debentures (listed) of a company in which public are substantially interested. He collected the entire interest himself and claimed Rs 200 as collection charges for himself.
11. Interest accrued on post office national savings certificates Rs 5000 issued on 15-02-2011.
Interest on all securities is payable on 30th June and 31st December every year.

Calculate his taxable income under the head income from other sources.

————— End —————