



SS – 511

V Semester B.Com. Examination, November/December 2018  
(Semester Scheme)  
(Repeaters 2014 – 15 and Onwards)  
**COMMERCE**  
**Paper – 5.3 : Income Tax – I**

Time : 3 Hours

Max. Marks : 100

**Instruction :** Answers should be written **completely in English or Kannada.**

**SECTION – A**

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

1. a) Define "Assessment Year".
- b) Give the meaning of Agricultural Income.
- c) What is meant by Composite Rent ?
- d) What is Canon of Certainty ?
- e) Define the term "Person".
- f) Mention any two examples of exempted incomes.
- g) Expand CBDT and PAN.
- h) What is Revenue Expenditure ?
- i) What do you mean by pre construction period ?
- j) Define the term Assessee.
- k) Write two basic conditions U/s 6(1).
- l) Name any four examples for casual income.

P.T.O.



## SECTION – B

Answer **any 4** questions. **Each** carries **8** marks.

(4×8=32)

2. Give the differences between capital expenditure and revenue expenditure.
3. State whether the following are agricultural or non-agricultural income.
  - a) Income derived from land used as stone quarries.
  - b) Rent from house property situated in a village.
  - c) Income from agricultural land situated in Australia.
  - d) Income derived from sale of seeds.
  - e) Income from sale of forest trees of spontaneous growth.
  - f) Lease rent received from land given to tenants for agricultural operations.
  - g) Income derived from land used for grazing of animals used for agricultural purpose.
  - h) Income from sale of plants from nursery.
4. Mr. Kumar is getting pension of Rs. 16,000 p.m. from a company. During the previous year 2017 – 18 he got his  $\frac{2}{3}$ <sup>rd</sup> pension commuted and received Rs. 9,84,000. Compute taxable pension for the A.Y. 2018 – 19 if :
  - a) He is a government employee.
  - b) He is a non-government employee who gets gratuity.
5. Mr. Frank, a citizen of West Indies, was appointed as sales manager in India on 01-04-2012 at Mumbai. On 25-01-2015 he went to Uganda on deputation for a period of 3 years, but left his wife and children in India. On 01-05-2016 he came to India and took with him his family to Uganda on 30-06-2016. He returned to India and joined his original job on 24-01-2018. Determine the residential status of Mr. Frank for A.Y 2018 – 19.
6. Mr. Shashank is the owner of a house. The particulars of which are given below :

Fair Rent Rs. 80,000  
House let out at Rs. 20,000 p.m.  
Municipal tax paid by Shashank Rs. 10,000 (10% of MV)

Determine the annual value of the house if the house is vacant for A.Y. 2018 – 19
  - a) One and half month
  - b) Three months.



SECTION – C

Answer **any 3** questions. **Each** carries **16** marks. (3×16=48)

7. Following are the particulars of income of Mr. Rao for the P.Y. 2017 – 18. Compute his total income for the A. Y. 2018 – 19. If he is (a) Resident (b) Not ordinarily resident (c) Non resident.

- a) Profit from Business in Bengaluru Rs. 60,000
- b) Profit from Business in USA Rs. 80,000
- c) Income received from house property in Pakistan Rs. 1,00,000
- d) Dividend from Indian Company Rs. 20,000
- e) Agricultural income from Mysore Rs. 60,000
- f) Profit from business in UK controlled from India Rs. 1,20,000
- g) Profit on sale of building in Nepal Rs. 90,000
- h) Income from house property in Mumbai received in USA Rs. 70,000
- i) Agricultural income received from Pakistan Rs. 1,80,000
- j) Share of income from HUF Rs. 30,000

8. Mr. Praveen (age : 50 years), an employee Director of Maruthi Udyog Ltd., submits the following information relevant for the A.Y. 2018 – 19.

Salary Rs. 66,000, entertainment allowance Rs. 6,000, bonus Rs. 10,200, Education allowance for 2 children Rs. 3,000, income tax penalty paid by the company Rs. 1,500, Medical expenses reimbursed by the company for the treatment taken in private hospital Rs. 24,000, leave travel concession Rs. 7,300 (first time in the current block period), free residential telephone provided by the company telephone bill paid by the company Rs. 1,200, free refreshment during office hours Rs. 2,000, payment of electricity bills by the employer Rs. 1,000, reimbursement of gas bills by the company Rs. 2,900, furnished flat owned by the company at Cochin (population : 35 lakhs) fair rent of the flat Rs. 40,800, salary of watchman Rs. 1,000. He is also provided with air condition which is obtained by the company on a rent of Rs. 2,000. Furniture costing Rs. 18,000 is also provided. Company's contribution towards a RPF Rs. 7,920, interest credited to it @ 14% Rs. 14,000.

Mr. Praveen made the following payments during P.Y. 2017 – 18

- a) Own contribution to RPF @ 15% of salary.
- b) Professional tax Rs. 2,400

Calculate the net salary income of Mr. Praveen for the A. Y. 2018 – 19.



9. Dr. Trivedi constructed a big house in July 2007, of which Municipal valuation is Rs. 80,000 p.a. while its standard rent Rs. 90,000 p.a. The house was used in the following manner during the previous year.

- a) 25% portion for self residence.
- b) 25% portion for own business.
- c) 50% portion let out for residential purpose for rent Rs. 5,000 p.m.

Other particulars of the house are as follows:

- 1) Municipal tax Rs. 12,800
- 2) Repairs Rs. 4,500
- 3) Fire insurance premium Rs. 2,000

He has taken a loan from housing board to construct the house at 12% p.a. Rs. 4,00,000. Interest was due Rs. 48,000 during the previous year out of which Rs. 20,000 was paid. Compute income from House property for A.Y. 2018 – 19.

10. The following are the particulars of the income of Mr. Pradeep for the P.Y. 2017 – 18.

- a) Basic salary Rs. 25,000 p.m.
- b) D.A. Rs. 6,000 p.m. (40% forming part of salary)
- c) Bonus equal to three months basic salary.
- d) Conveyance allowance Rs. 5,000 p.a.
- e) He is provided with a furnished accommodation owned by the employer in Bengaluru. The cost of furniture provided is Rs. 20,000. The employer deducts Rs. 1,000 p.m. towards the accommodation.
- f) The employer paid the income tax of Rs. 3,000 of Mr. Pradeep.
- g) He and his employer contribute @ 12% of salary to RPF.
- h) Interest credited to RPF account at 10% is Rs. 30,000.
- i) Professional tax paid by Mr. Pradeep is Rs. 3,000.

Compute his income from salary for the A.Y. 2018 – 19.