

F-32/2110

10026/NJ

**DIRECT TAX LAWS-MC-303
(SEMESTER- IIIrd)**

(Syll-Dec-2019)

Time: Two Hours

Maximum Marks: 70

Note: Attempt any *four* questions. All question carry equal marks.

- I. How the residential status of an assessee is determined under the Income Tax Act? Explain.
- II. Discuss the rules and valuation of perquisites under the head of Salary in Income Tax Act.
- III. Explain the expenses which are expressly allowed while computing the income from business or profession.
- IV. Mr. Shah is Astd. Manager of a textile company of Jaipur since 1990. He has submitted the following particulars of his income for the financial year 2019-20.
 - (i) Basic salary Rs. 2,40,000
 - (ii) Dearness allowance Rs. 5,000 p.m. (Rs. 200 p.m. enters into retirement benefits)
 - (iii) Education allowance for two children at Rs. 150 p.m. per child.
 - (iv) Commission on sales 1% of turnover of Rs. 10,00,000
 - (v) Entertainment allowance Rs. 700 p.m.
 - (vi) Travelling Allowance for his official tours Rs. 30,000. The entire amount is spent on the official tour.
 - (vii) He resides in the flat of the company. Its market rent is Rs. 12,000 p.m. A watchman and a cook have been provided by the company at the bungalow who are paid Rs. 400 p.m. each.
 - (viii) He has been provided a motor car of 1.8 ltr engine capacity for his official as well as personal use. The running and maintenance costs are borne by the Company.
 - (ix) Employer's contribution to R.P.F. is Rs 40,000 and the interest credited to this fund at 13% rate amounted to Rs. 16,250.
 - (x) Contribution by Shah to recognized provident fund Rs. 40,000.
 - (xi) Rent of house recovered from Shah Rs. 1500 p.m.Compute income from salaries for the assessment year 2020-21. Assume the population of Jaipur is 26 lakhs as per 2001 census.
- (V). "An assessee is not only liable in respect of his own incomes for tax purposes but his liability may extend to some other incomes also". Comment on this statement.

(VI). Write a note on set off and carry forward of losses. Explain the provisions of Income Tax Act 1961 relating to set off and carry forward of losses.

(VII). Discuss the provisions of Income Tax Act regarding important deductions as to be allowed in computing the total income of an assessee.

(VIII). Mr. Naveen is a lecturer in an affiliated college of Punjab University. Calculate his total income for current assessment year on the basis of following particulars:

	Rs.
(i) Salary	77000
(ii) Wardenship allowance	8,500
(iii) Examinership remuneration from university	6,400
(iv) Payment of tax related to employment	2,500
(v) Royalty on small books of question-answer	19,000
(vi) Winning from card games	7,400
(vii) Amount received from lottery (Net)	29,000
(viii) Expenses on lottery tickets	11,000

IX. Describe *any ten* of the following :

- (a) Previous year
- (b) Profession
- (c) Unabsorbed depreciation
- (d) Income
- (e) Exemptions
- (f) Transfer
- (g) Deemed income
- (h) Round off of total income
- (i) Deductions under Section 80C
- (j) Deemed dividend
- (k) Long term capital gain
- (l) Residential status of a company

10026/NJ

