

PC-12243/NJ

D-46/2111

DIRECT TAX LAWS-303

Semester – III

Time : Three Hours]

[Maximum Marks : 70

SECTION – A

Note : Attempt any *two* questions. (10×2=20)

- I. Explain how tax liability of an assessee is determined with reference to his residence?

- II. Mr. Raghav is employed in a private concern in a small town on a monthly salary of Rs. 3,000. Besides he is getting bonus equal to 2 months' salary, entertainment allowance Rs. 500 p.m. since the date of his appointment. He has been provided with the following facilities:
 - (i) Rent free house whose fair rental value is Rs. 30,000 whereas its rental value as per municipal record is Rs. 25,000. The employer paid Rs. 12,000 during the previous year for the rent of this house.
 - (ii) The employer spent Rs. 10,000 on the education of his son who went to USA for higher education.

(iii) He is also provided with a car of 1.6 litre engine capacity which he uses for personal as well as official purposes. He joined the concern in 1987.

(iv) A gift voucher of Rs. 2,000 was given.

Determine his taxable salary for the current assessment year.

III. Discuss the income tax provisions relating to short term capital gains and long term capital gains. How is long term capital gain computed ?

IV. Hari Krishnan, resident individual, submits the following particulars of income for the previous year :

Dividend from REC International Limited (Indian company) (Gross) Rs. 4,800, dividend from Ram Finance Limited Rs. 2,700, Interest paid on capital borrowed for the purpose of investment in shares of Ram Finance Limited Rs. 4,200. Collection charges in respect of dividend Rs. 460. Winning from lottery net amount Rs. 70,000, tax deducted at source Rs. 30,000. Interest received on securities issued by the Government of Singapore Rs. 20,570. Determine the income chargeable under the head 'Income from other sources' for the current assessment year.

SECTION – B

Note : Attempt any *two* questions. (10×2=20)

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.

- VI. Discuss the Provisions regarding set-off of the losses while computing the total income.
- VII. Mrs Chauhan, a professor and author, furnishes the following information for the current assessment year:

	Rs.
Taxable salary	73,000
Royalty income	1,38,000
Contribution towards Public Provident Fund	32,000
Contribution towards Statutory Provident Fund	16,000
Purchased infrastructure bond	20,000
Payment of insurance premium on the life insurance policy of major married son (Sum assured Rs. 80,000)	18,000
Investment in National Savings Certificates (VIII Issue)	15000
Repayment of loan taken from LIC for construction of a house	42,000

Find out the deduction allowable to Mrs Chauhan u/s 80C.

- VIII. You are required to compute the total income of Dr Manukant for the current assessment year from following particulars :

- (a) Basic salary Rs. 18,175 p.m.
- (b) He owns a house property and the same is let out on a monthly rent of Rs. 1,250. Municipal value of house

if Rs. 12,000. Municipal taxes paid by him amount to Rs. 3,000.

- (c) He received Rs. 3,000 dividends on listed shares an interest of Rs. 2,000 on bank deposits.
- (d) He paid life insurance premium of Rs. 10,000 (Sum assured being Rs. 80,000).
- (e) He has an agriculture income of Rs. 20,000.
- (f) He received income from units of the Unit Trust of India Rs. 1,800.

SECTION – C

IX. Describe any *ten* of the following :

- (a) Perquisite.
- (b) Residential status of a Hindu undivided family.
- (c) Profession.
- (d) Assessment year.
- (e) Annual value of the house.
- (f) Sub-letting.
- (g) Carry forward losses.
- (h) Unabsorbed depreciation.
- (i) Aggregation of income.
- (j) Revocable transfer.
- (k) Section 80G.
- (l) Total income. (3×10=30)