



V Semester B.Com. Examination, November/December 2016  
(2016 – 17 and Onwards) (CBCS) (Fresh)  
Commerce  
5.3 : INCOME TAX – I

Time : 3 Hours

Max. Marks : 70

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

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **two** marks. (5×2 = 10)
- Define Assessment Year.
  - Mention any two examples of exempted incomes.
  - What is Standard Rent ?
  - Expand CBDT and PAN.
  - Give the meaning of salary for the purpose of calculating exempted RPF contribution by employer.
  - What do you mean by Agricultural Income ?
  - What is Capital expenditure ?

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks. (3×6 = 18)

2. Mr. Kumar is a non- government employee getting pension of Rs. 16,000 per month from a company. During the previous year 2015–16 he got his  $\frac{2}{3}$ <sup>rd</sup> pension commuted and received Rs. 9,84,000. Compute taxable pension for the Assessment Year 2016 – 17.

P.T.O.



3. Mr. Ramesh is a citizen of America comes to India on 20-3-2015 for the first time and on 01-09-2015 he left India and went to Nepal on a business trip. Again he comes back to India on 26-02-2016. Determine his residential status for the Assessment Year 2016 – 17.

4. State whether the following are agricultural or non-agricultural Income.

- Income from agricultural land situated in Australia.
- Income derived from sale of seeds.
- Income from sale of forest trees of spontaneous growth.
- Lease rent received from land given to tenants for agricultural operations.
- Income derived from land used as stone quarries.
- Income from sale of plants from nursery.

5. Explain the Canons of Taxation.

6. From the following information compute Net Annual value of House Property for the A.Y. 2016 – 17

Municipal value	Rs. 1,00,000
Fair Rental value	Rs. 1,80,000
Let out (per month)	Rs. 16,000
Standard Rent	Rs. 1,20,000
Unrealised rent for one month	
Municipal tax paid by owner of House Property	Rs. 20,000
Municipal tax paid by tenant	Rs. 10,000



SECTION – C

Answer **any three** questions. **Each** question carries **fourteen** marks. **(3×14 = 42)**

7. Mrs. Smitha is working as Sales Executive in Maruthi Suzuki Ltd. Kolkata and her salary details are as follows for the previous year 2015 – 16

- a) Basic salary Rs. 21,000 per month
- b) Bonus equal to two months basic salary
- c) Commission 3% on sales (During the year she reached sales target of Rs. 5,00,000)
- d) Dearness allowance Rs. 7,000 per month. (Eligible for Retirement benefits)
- e) Medical allowance Rs. 1,400 per month. (Medical expenses Rs. 15,000 p.a.)
- f) Children Hostel Allowance for her two children @ Rs. 500 per month per child.
- g) Children Education Allowance for her two children @ Rs. 400 per month per child.
- h) RPF contribution by the company Rs. 6,000 per month.
- i) RPF contribution by employee Rs. 5,000 per month.
- j) Interest credited on RPF @ 11% Rs. 44,000.
- k) She has been provided with company's owned rent free furnished house in Mumbai and cost of furniture provided Rs. 60,000.
- l) Mrs. Smitha paid her professional tax Rs. 2,400 p.a.

Compute Taxable Salary for the A.Y. 2016 – 17.



8. Mr. Akshay furnishes the following particulars of his income for the previous year 2015–16. Determine his taxable income for the A.Y. 2016–17. If his residential status is

- a) Ordinary resident
- b) Not ordinary resident
- c) Non-resident.
  - i) Income from business in Hubli Rs. 1,00,000
  - ii) Profit from business in UK controlled from India Rs. 60,000
  - iii) Income from House Property in Japan received there Rs. 50,000
  - iv) Income from business in India received in Pakistan Rs. 30,000
  - v) Salary received in India for service rendered in USA Rs. 70,000
  - vi) Interest on deposits with SBI in Mysore Rs. 20,000
  - vii) Profit from business in Singapore controlled from India ( $\frac{1}{3}$ <sup>rd</sup> received in India) 30,000
  - viii) Past untaxed foreign income brought into India Rs. 8,000
  - ix) Dividend received from a domestic company Rs. 5,000
  - x) Agricultural income earned in Nepal Rs. 25,000
  - xi) Commission received in India for service given in Japan Rs. 10,000
  - xii) Income from profession in India but received in France Rs. 10,000



9. Mr. Shankar is the owner of three house Properties in Bangalore and let-out all the houses throughout the year

Particulars	House – A (Rs.)	House – B (Rs.)	House – C (Rs.)
Fair Rent	1,80,000	1,50,000	1,20,000
Municipal valuation	1,50,000	2,00,000	1,00,000
Let out (per month)	20,000	15,000	25,000
Use by tenant	Residential	Office	Residential
Repair charges	10,000	—	40,000
Collection charges	20,000	5,000	—
Interest on loan :			
a) For construction	1,00,000	—	—
b) For Marriage of daughter	—	60,000	—
c) For repairs	—	—	10,000

Municipal tax is 10% of Municipal valuation. Municipal tax of House – A was paid by owner but Municipal tax of House – B was not paid upto 31<sup>st</sup> March 2016 and Municipal tax of House – C was paid by tenant. The House – C was remained vacant for 2 months.

Compute Income from House Property for the A. Y. 2016 – 17 by making assumption housing loan in respect of House A and C was taken after 1-4-1999.



10. Mr. Yadav is an employee of State Bank of India Bangalore and he submits the following information relevant for the A.Y. 2016 – 17. Compute his taxable income from salary :

- a) Basic salary Rs. 8,000 per month.
- b) Dearness allowance Rs. 1,500 per month (does not form part of salary).
- c) City compensatory allowance Rs. 300 p.m.
- d) Bonus Rs. 10,000 per annum.
- e) Conveyance allowance Rs. 2,000 p.m. (60% spent for office duties).
- f) House Rent allowance Rs. 5,000 p.m.  
(Rent paid by employee Rs. 7,000 p.m.)
- g) Payment of LIC Premium by SBI Rs. 4,000 p.a.
- h) Services of sweeper paid by SBI Rs. 200 per month.
- i) Leave Travel Concession Rs. 5,000 (First time in current Block period).
- j) Reimbursement of gas, electricity and water bill by the SBI Rs. 2,500 per annum.
- k) RPF contribution by the bank and own contribution of employee 14% of salary.
- l) Interest credited to RPF at 14% Rs. 14,000.
- m) Professional tax paid by Yadav Rs. 5,000.



11. Mr. Suryakantha has three houses in Mandya and particulars of which are relating to previous year as under :

Particulars	House – I (Rs.)	House – II (Rs.)	House – III (Rs.)
Use of House	Let out	Let out	S.O.P.
Standard Rent	1,50,000	2,00,000	—
Municipal value	1,00,000	3,00,000	3,00,000
Fair rental value	1,80,000	1,80,000	3,50,000
Actual rent per month	15,000	20,000	—
Municipal tax paid	10% of M.V.	10% of M.V.	10% of M.V.
Repair charges	—	—	2,000

Suryakantha borrows Rs. 3,00,000 at 20% per annum from the bank for construction of House – III. (date of borrowing 01-06-2008, date of repayment of loan 10-5-2016) Construction of all houses is completed in May 2013.

Determine the taxable income from house property for the assessment year 2016 – 17.