

G.V.M's
G.G.P.R COLLEGE OF COMMERCE & ECONOMICS
Farmagudi, Ponda- Goa.
M.Com. (Semester III) Examination, November 2019
COO 314: Direct Taxes

Duration: 3 Hours

Max Marks: 60

Instructions:

- 1. Question No 1 consists of 5 compulsory questions of 2 Marks each.**
 - 2. Answer any 5 questions from Question 2,3,4,5,6,7,8, & 9.**
 - 3. Each Question carries 10 marks**
 - 4. Relevant Assessment Year for all the questions is AY 2018-19 except otherwise specifically stated in the question.**
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1. Answer the following questions in brief.

(5x2=10)

- a. What are the due dates for payment of advance tax?
- b. Residential status of a company.
- c. Revised Return
- d. Compute taxable HRA for Mr. Vardhan for the AY 2018-19

Basic Salary – Rs. 50,000/- pm

Dearness Allowance – Rs. 20,000/- pm

House Rent Allowance Received – Rs. 20,000/- pm

Mr. Vardhan pays a rent of Rs. 10,000/- pm for a house in Goa.

- e. Mr. Kapil receives the following gifts during AY 2018-19. Calculate the amount of gifts chargeable to tax.
 - i. Gifts of Rs. 55,000/- received from a charitable institution
 - ii. Gift of Rs. 12,000/- on the occasion of birthday.
 - iii. Gift of Rs. 52,000/- received from grandmother
 - iv. Gift of gold chain Rs. 56,000/- received from best friend.

2. Explain the following.

(5X2=10)

- a. Differentiate between Tax Evasion & Tax Avoidance.
- b. Tax provisions with respect to commuted pension and uncommuted pension received by an employee.

3. Explain the following. (5X2=10)

- a. Explain any 5 deductions from Gross Total Income
- b. Exemption from capital gain arising from transfer of residential house u/s 54.

4. Answer the following. (5+3+2=10)

- a. Explain the tax provisions with respect to gratuity received by an employee.
- b. Determine the advance tax payable by Mr. Akash for the AY 2018-19.

Particulars	Amount (Rs.)
Net Income	10,00,000
Tax Liability	1,12,500
Add: Health & Education Cess	4,500
Total Tax Liability	1,17,000

c. State the conditions for claiming depreciation.

5. a. State the conditions to be satisfied for an individual to claim the status of Resident & Ordinarily Resident in India. (5)

b. Explain the exemption from capital gains on compulsory acquisition of land & buildings forming part of industrial undertakings u/s 54D. (5)

6. Smita owns two houses which are used by her for residential purposes. (5x2=10)

Particulars	House I	House II
Municipal value	30,000	70,000
Fair Rent	40,000	58,000
Standard Rent	37,000	74,000
Municipal tax paid by Smita	3,000	16,000
Insurance Premium	1,000	2,000
Land Revenue (Outstanding)	600	-
Ground Rent (Outstanding)	1,700	2,110
Interest on capital borrowed to pay municipal tax	600	400
Interest on capital borrowed for purchase/construction of house (borrowed after 1st April, 1999)	11,060	75,900
Interest on capital borrowed for repairs of the property	1,000	1,500

Find out the net income of Smita for the AY 2018-19 taking into consideration the following information.

- a. Income from other sources is Rs. 5,75,000/-
- b. Smita deposited Rs. 10,000/- in PPF during the previous year 2017-18 (AY 2018-19).

7. Mr. Anish submits the following information for relevant AY 2018-19

(10)

Particulars	Profit (Rs.)	Loss (Rs.)
Salary Income	4,00,000	-
Income from House Property		
House I	6,00,000	-
House II	-	3,40,000
House III	-	3,80,000
Profits & Gains of Business or Profession		
Business A	4,50,000	-
Business B	-	4,75,000
Business C (Speculative)	3,18,000	-
Business D(Speculative)	-	3,20,000
Capital Gains		
Short Term Capital Gain	1,75,000	-
Short Term Capital Loss	-	2,00,000
Long Term Capital Gain	20,000	-
Income From Other Sources		
Interest on Securities	1,40,000	-

Determine the net income of Mr. Anish for the AY 2018-19.

8. Mr. John owns the following assets as on 1st April, 2017.

(10)

Asset	WDV as on 31/03/2017	Rate of Depreciation
Furniture	25,00,000	10%
Building	21,50,000	5%
Car	5,20,000	15%
Other Vehicles	7,50,000	30%

During the year, he purchased the following assets.

Date of Purchase	Asset	Cost	Rate of Depreciation
15-10-2017	Car	2,50,000	15%
21-07-2017	Building	1,00,000	5%
31-12-2017	Furniture	25,000	10%

Determine the depreciation for the AY 2018-19, assuming that the assets purchased during the year are put to use on the same day.

9. Mr. Smith purchased a house property on 15/08/2001 for Rs. 500,000/-. This property was sold by him for Rs. 50,00,000 on 01/12/2017. He incurred expenses of Rs. 50,000/- on transfer of this property. On 01/03/2018 he deposited an amount of Rs. 21,00,000/- in Capital Gain Deposit Account Scheme. He purchased a new house property by withdrawing from the deposit account on 01/03/2020 for Rs. 15,00,000/-.

You are required to compute the capital gains for the AY 2018-19.

Year	Cost Inflation Index
2001-02	100
2017-18	272

(10)
