

22-12-2015



**DOON UNIVERSITY, DEHRADUN**

**Final Examination, 2015**

**School of Management (IMBA-5 yrs. V<sup>th</sup> Sem.)**

**Course: IMBA – 503- Income Tax**

*Time Allowed: 3 Hours*

*Maximum Marks: 50*

*(Note: Sections A and B are compulsory and attempt any 3 questions from Section C.)*

**SECTION : A**

*(Marks:16)*

Q1(a) From the following particulars of an individual calculate his total income and the tax liability by him for the assessment year 2015-16:

1. Rent from let out properties	Rs. 20,000
2. Long-term capital gains (computed)	Rs. 30,000
3. Profit from own business	Rs. 6,31,000
4. Income from Lottery (Gross)	Rs. 1,00,000
5. Net Agricultural Income	Rs. 10,000

(b) What is meant by perquisites? What are tax-free perquisites?

**SECTION : B ( Write short notes on the following)**

*(Marks: 2x5=10)*

1. Person
2. Previous Year and Assessment Year
3. Tax Avoidance
4. HRA
5. Gratuity

**SECTION : C ( Long Answer Type Questions. Attempt any three questions).**

*(Marks: 8 x 3)*

Q1. M, a resident of Delhi, owns two houses, particulars of which are as follows:

Particulars	House I	House II
Standard rent under Rent Control Act	76,000	72,000
Municipal Valuation	80,000	90,000
Fair Rent	1,00,000	1,20,000
Actual Rent	-	90,000
Municipal Taxes	12,000	14,500
Fire Insurance Premium	1,000	9,000
Interest on loan taken to construct the house	45,000	11,500
Use of the asset	Self-occupied	Rented

Ascertain the taxable income of M under the head House Property.

Q2. Mr. Lalit an ordinarily resident in India earned the following incomes during the financial year 2014-15:

Director's fees	Rs. 2,000
Income from agricultural land in Pakistan	Rs. 5,000
Ground-rent for land in Pathankot	Rs. 10,000
Interest on postal-savings-bank-account	Rs. 100
Interest on deposits with Industrial Finance Corporation of India	Rs. 500
Dividend from foreign company	Rs. 700
Rent from sub-letting a house	Rs. 26,250
Rent payable by Mr. Lalit for the sub-let house	Rs. 12,000
Other expenses incurred on this sub-let house	Rs. 1,000
Winning from Race-course	Rs. 12,300
Interest on Securities	Rs. 4,000

You are required to calculate Income from Other Sources of Mr. Lalit for the Assessment Year 2015-16.

Q3. Shri Radhey Lal, the proprietor of a flour mill, has prepared the following Profit & Loss Account for the year ended 31<sup>st</sup> March, 2015. You are required to compute his income from business for the Assessment Year 2015-16.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Trade Expenses	450	Gross Profit	2,35,900
Establishment Charges	2,200	Dividends from Co-operative Society	2,600
Rent, Rates & Taxes	1,400	Rent from Property	500
Discount & Allowance	200	Bad debts recovered	2,000
Income Tax	700		
Advertisement Expenses	1,450		
Postage & Telegrams	100		
Gifts and Presents for publicity	125		
Fire Insurance Premium	250		
Charities	375		
Donations	400		
Repairs and Renewals	250		
Audit fees	250		
Net Profit transferred to Capital A/c	2,32,850		
	<b>2,41,000</b>		<b>2,41,000</b>

Q4. Distinguish between Tax Planning and Tax Evasion.