B.V. Patel Institute of Business Management, Computer & Information Technology
UkaTarsadia University
1st Internal Exam
030100510- Income Tax

Class: B.COM (V)   **Marks: 50**
Date: 28th Aug, 2017   **Time: 2hrs.**

Q.1 Answer the following. (Any Five)   **10**

1. X receives Rs. 17000/- p.m. as pension from Government of Gujarat during the previous year 2016-17. He withdrew 50% of his pension of Rs. 2, 00,000 on 1st Jan, 2017. Determine the taxable pension.

2. X, who resides in Madras, gets Rs. 3, 00,000 p.a. as basic salary. He receives Rs. 50,000 p.a. as house rent allowance. Rent paid by him Rs. 40,000 p.a. Find out the taxable HRA for the assessment year 2017-18.

3. List out fully taxable allowances.

4. Define long term capital assets.

5. What is previous year?

6. Define Person.

Q2. Answer the following. (Any Two)   **20**

1. X is employed by PQR ltd., Chennai. From the information given below find out the taxable income from salary for the assessment year 2017-18.
   Basic salary: Rs 45,000 p.m., commission at the rate of Rs. 5000p.m., dearness allowance: Rs. 8,000 p.m. (60% is part of salary for retirement benefit); house rent allowance: Rs. 8,000 p.m. and Tiffin allowance: Rs. 6,000 p.m. (only with effect from 1st march, 17). He resides in a rented house (Rent paid Rs. 10,000 p.m.), however, the employer acquires the property from landlord on 31st Jan, 17 and the same house is allotted as rent free unfurnished accommodation to X without charging any rent from him. House rent allowance discontinued on the same day. X, contributes Rs. 5,000 p.m. towards recognized provident fund. Contribution b the employer is not more than 12 % of salary. Provident fund interest is credited at the rate of 9.5% which comes to Rs.72, 000 for the previous year 2016-17.

2. Mrs. X is a deputy manager in Mumbai based company. She gets Rs. 54,000 p.m. as salary. Besides, she gets children education allowance of Rs. 450 p.m. (for daughter) and Rs. 80 p.m. (for son). Cost of education is approximately Rs. 1, 80,000/- for the two children (from which Rs. 1, 36,000 is tuition fees paid by Mrs. X). She also gets hostel expenditure allowance for her daughter at the rate of Rs. 400 p.m. The employer provides 1800 cc car for official and personal use and incurred all expenses. Company provided driver for car from 1st Nov, 16. The employer has provided a un-furnished accommodation at Andheri. It is owned by the company. While the company pays maintenance expense of Rs.800 p.m.to the society. The company maintains recognized provident fund and contributes 18% of salary towards employee. Mrs. X contributes Rs. 8,000 p.m. Interest on RPF @12 % of Rs. Rs. 42000.
   Compute the taxable income from salary for the assessment year 2017-18

3. X purchases a house property for Rs. 26,000 on 10th May, 1962. He gets the first floor of the house constructed in 1967-68 by spending Rs.40, 000. He dies on 12th Sept, 1978. The property is transferred to Mrs. X by his will. Mrs. X spends Rs. 30,000 and Rs. 26,700 during 1979-80 and 1985-86 respectively for renewals and reconstruction of the property. Mrs. X sells the house property for Rs.21, 50,000 on 15th March, 17 (brokerage paid Rs. 11,500). The fair market value of house on 1st April, 81 is Rs.1, 60,000. Compute taxable income from capital gain.

Q3. Answer the following. (Any Two)	20

1. On 15–11–2016 Mr. Y has sold his Jwellery for Rs. 22, 00,000 and incurred Rs.1, 00,000 as valuation charges in connection with its sales. The original Cost of Jwellery, bought in 1969–1969, was Rs. 50,000 but its fair market value on 01–04–1981 was Rs. 95,000. Y incurred additional improvement in the year 1980 – 81 for Rs. 50,000/- and for improvement and maintenance he spent Rs. 1, 00,000 in the year 1987-88.

Relevant Cost Inflation Index of year 1981–82: 100, 1987- 88:150 and 2015–16:1125. Determine his taxable capital gain for the Assessment Year 2016–2017

2. Determine the residential status of Mr. X for the Assessment year 2017-18, details were as follows:

Date of arrival in India	Date of departure from India
25-4-2012	28-7-2012
15-1-2013	28-4-2014
12-2-2015	30-9-2016

3. Mr. X is a foreign citizen. During the previous year 2016- 17 he came to India for 170 Days. Determine his residential status for the assessment year 2017 -18 on the assumption that during the financial year 2002-03 to 2016-17, he visited India as follows:

2015-16	142	2014-15	122	2013-14	108	2012-13	100
2011-12	86	2010-11	90	2009-10	80	2008-09	182
2007-08	182	2006-07	100	2005-06	121	2004-05	50
2003-04	65	2002-03	182				