

END OF SEMESTER EXAMINATIONS, APRIL / MAY – 2017

DIRECT TAXATION - II
SUBJECT CODE : 15P3CO17MAJOR : M.Com
TIME : 3 HOURSSEMESTER : IV
MAX. MARKS: 70**SECTION – A (5 X 5 = 25)****Answer any FIVE Questions:**

1. Mr. Gupta submits the following information for the previous Year. How will you adjust the losses shown by him?

Income from Salary	+50,000
Income from House property	- 7,500
Business loss	-15,000
Bank interest	+30,000

2. Calculate Total Income of Mr. Sha from the following:

House property Loss	70,000
Long Term capital Loss	15,000
Short term capital Gain	40,000
Other source income	30,000

3. Write short Note on: Assessment of Firms.

4. From the following Profit and Loss Account of a Firm, Calculate Book Profit, Remuneration and Taxable Income.

Profit and Loss Account

Particulars	Rs.	Particulars	Rs.
To interest on capital @ 12%		By Gross profit	29,000
A	15,000	By Net Loss: A	50,000
B	14,000	B	50,000
To Salary : A	40,000		
B	40,000		
To other expenses relating to Firm	20,000		
	1,29,000		1,29,000

5. Explain about Tax Deducted at Source.

6. The particulars of Income of Mr. X for the financial year 2015 – 2016 are given below:

Gross salary received from ABC Ltd., for the year 4,00,000, Rental income received from a commercial complex 8,00,000, Arrears of rent received from the complex, which were not charged to tax in any earlier years 2,60,000. Interest paid on loan taken for the purchase of a house from Schedule Bank for use as own Residence (Completed prior to 1-4-99) 1,20,000.

Compute the total income of X and the Tax payable there on in respect of AY 2016 – 2017.

7. Aswin Pvt.Ltd., furnish the following information:

	Rs.
Interest on securities (computed)	10,000
Income form house property (computed)	20,000
(b) Textile Manufacturing:	
Profit as per P&L a/c before Depreciation	2,00,000
Depreciation	95,000
(b) Hosiery Manufacturing:	
Profit as per P&L a/c before Depreciation	75,000
Depreciation	18,000
Agency business loss b/f from 2012 – 2013	15,000
Income from other sources	25,000

Compute the total income for the assessment year 2016 – 2017.

8. Discuss on the Role of Commissioner of Income Tax.

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SECTION – B (3 X 15 = 45)**Answer any THREE Questions:**

9. Describe in detail about Set off and Carry forward of losses.
10. From the following Profit and Loss account of ABC Firm, Calculate Book profit and Remuneration.

Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Remuneration to partners		By Sales	5,00,000
A	25,000	By House Property Income	50,000
B	30,000		
C	40,000		
To Interest to Partners @ 14%			
A	14,000		
B	21,000		
C	7,000		
To Expenses related to other Heads of Income	6,000		
To Net Profit	4,07,000		
	5,50,000		5,50,000

11. A, B and C are partners in a firm assessed as AOP sharing profit and losses equally. The following is the profit and loss account of their firm.

Particulars	Rs.	Particulars	Rs.
To Manufacturing expenses	9,000	By Gross Profit	50,000
To Establishment expenses	6,000	By Interest on Securities (gross)	3,000
To Depreciation	3,000		
To Sundry expenses	4,000		
To Salary to A	6,000		
To Commission to B	4,000		
To Interest on Capital:			
A	1,000		
B	2,000		
C	3,000		
To Net Profit:			
A	5,000		
B	5,000		
C	5,000		
	53,000		53,000

Compute the Income of the Firm and allocate it amongst its partners.

12. Following are the incomes of a domestic company for the year ending on 31st March 2016.
- Business Profit (including export undertaking profit Rs. 1,72,000) Rs. 4,20,000.
 - Income from unit trust of India Rs. 5,000.
 - Royalty received from a foreign concern for providing technical knowledge Rs. 16,000.
 - Fee from an Indian company for technical advice Rs. 12,000.
 - Dividend from a foreign company Rs. 8,000.
 - Company had donated to national rural development fund during the previous year Rs. 8,800.
- Compute the total income of the company for the assessment year 2016 – 2017. The company has distributed 12% dividend on its paid up capital of Rs. 5 Lakh on 1st September 2016, before filing of its return of income.
13. What are the Powers of the Commissioner of Income Tax in regard to search and Seizure under section 132 of the Income Tax Act?

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