



Institute of Management
JK LakshmiPat University
Jaipur

END TERM EXAMINATION 2015



B. Com. (Hons.) Sem-III

MM: 50 Marks

Course: Income Tax Law & Practice

Time: 3 Hours

Subject code: BCH304

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. Explain the following provisions under Income tax Act 1961:

- (a) Rent free Accommodation
- (b) Gratuity
- (c) Car facility
- (d) Compensation

(10 marks).

Q2. Write short notes on the following:

- (a) Annual Value
- (b) Deduction for interest on loan for house property
- (c) Unrealised rent.
- (d) Recovery of unrealized rent of a period prior to the previous year.

(10 marks).

Q3. Amardas has provided following information regarding purchases, sales and opening balance of various machines and plants used in his manufacturing concern for the A. Y. 2015-16:

Particulars	Block A 15%	Block B 40%	Block C 80%
Depreciated value as on 1.4.2014	1,80,000	3,42,000	1,20,000
New Plant and Machine purchased On 1.5.2014	1,28,000	1,20,000	-----
On 1.11.2014	-----	-----	1,60,000
	2,000	4,39,600	3,00,000

Find allowable depreciation and additional depreciation for the A. Y. 2015-16. Also find out W.D. V in each block after charging depreciation and additional depreciation.

(10 marks).

Q4. Mr. Manohar Rawtani has been allotted 500 shares by colgate Co. @ Rs. 30 on 31.3.1975. The company had issued bonus shares on 1st January, 1980 in ratio of 3:5 (3 bonus shares for 5 shares held). On 1st April, 1981 the share price was Rs. 120 on Delhi Stock Exchange.

On 1st August, 1985 the company also issued bonus shares in the ratio of 1:1. On 1st April, 1993 the company again declared bonus shares in the ratio of 4:5. The market price of share on 1.8. 1985 and 1.4.1993 was Rs. 180 and Rs. 220 respectively.

On 1st January, 2015 Mr. Rawtani sold all shares @ Rs. 500 each. Payment of shares sold was received on 1st May, 2015.

Compute taxable capital gains of Mr. Rawtani for the assessment year 2015-16.

(10 marks).

Q5. Explain the provisions for set-off and carry forward of losses under

(10 marks).

Section B

Q6. Mr. Roshan is employed with a public limited company at a salary of Rs. 30,000 per month. He contributes 10% of his salary to a recognised provident fund. The employer also contributes similar amount to this fund. The particulars of his other incomes are as under-

1. Income from self-occupied house	(-) 6,000
2. Long term capital gain (computed)	86,000
3. Gross winning from lottery	21,000
4. Interest on Govt. Securities	40,000

During the previous year he has made the following payments:

I. Mediclaim insurance on his own health by cheque	17,000
II. Donation to Rajasthan Government for promotion of family planning programme	10,000
III. National saving certificate (VIII) issue purchased	3,000
IV. His three sons are studying in school and college. He is paying Rs. 1,500; Rs. 800 and Rs. 600 p.m. as their tuition fees to school and college.	

Assuming Mr. Roshan is 58 years old find out his total income and tax payable by him for the A. Y. 2015-16 assuming that tax deducted by the employer from salary is Rs. 7,200.

(20 marks).