



B.Com. VI Semester Degree Examination, May - 2018

COMMERCE

Income Tax - II (General & Computers)

Paper No : 6.6

(New)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Attempt **all** sections according to Internal Choice.

Section - A

Answer any **Ten** of the following questions :

(10×2=20)

1. What is short term capital asset?
2. Give any two examples of transactions not treated as transfer.
3. What is dividend?
4. Mention the different types of securities?
5. How do you treat the interest received by an individual as a partner of firm?
6. How do you treat dividend received by an individual from foreign company and co - operative society?
7. What do you mean by set - off of losses?
8. What do you mean by Tax deducted at source?
9. What is total partition of Hindu undivided family?
10. State any two incomes which are not treated as Hindu undivided family incomes.
11. Who is a working partner?

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12. State any two examples of disallowed expenses in case of firm.

Section - B

Answer any **Three** of the following questions.

(3×5=15)

13. Mr. Sunil furnishes the following information for the previous year 2016-17.

Particulars	Jewellery
Year of purchase	1983-84
Year of sale	2016-17
Cost of purchase	Rs. 1,16,000
Sale proceeds	Rs. 15,31,000
Commission paid on sales	Rs. 6,000

Mr. Sunil purchased a new residential house for Rs. 9,15,000 on 15/3/2017 out of sale proceeds of jewellery. The cost inflation index for the financial years 1983-84 and 2016-17 were 116 and 1125 respectively.

Compute his capital gain for the assessment year 2017-18.

14. From the following particulars of Mr. Rajan compute his income from other sources for the assessment year 2017-18 :

Ground rent received	Rs. 24,000
Family pension received	Rs. 79,000
Winnings from karnataka state	
Lotteries received	Rs. 2,24,000
Royalty received on a book	Rs. 65,600
(Manuscript expenses Rs. 5,600).	
Agriculture income from switzerland	Rs. 80,000



15. State the provisions of Income tax Act in relation to set off and carry forward of loss under the head capital gains?
16. How do you treat the following incomes while computing the total income of an individual:
- Income received as a member of Hindu undivided family.
 - Income from agriculture amounting to Rs. 50,000 in Srilanka.
 - Unrealised rent of the past years Rs. 5,000 is realised during the current year.
 - Dividend from Co - operative society.
 - Loss of cash by embezzlement Rs. 15,000.

17. From the following information, compute income from business of Hindu undivided family.

Net profit Rs. 4,05,000 after charging salary to members X Rs. 9,000 per month and Y Rs. 15,000 per month. The debits and credits in the profit and loss account included the following :

- Taxable income from house property Rs. 60,000.
- Loss from speculation business Rs. 45,000.
- Winnings from lotteries Rs. 30,000.
- Life insurance premium paid on the lives of members of family Rs. 45,000.

Assessing officer considers that Mr. Y's salary is excessive. The justified amount is Rs. 12,000 p.m.

Section - C

Answer any **three** of the following questions.

(3×15=45)

18. From the following information compute the capital gains of Sri. Veelesh for the assessment year 2017-18.

Particulars	House 1	House 2
Date of Purchase	May 1977	Dec 1980

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Cost of acquisition	1,90,000	2,50,000
Fair market value on 1/4/1981	1,75,000	3,50,000
Cost of improvement in 1994-95	51,800	77,700
Sale proceeds of property in 2016-17	24,14,500	43,61,000
- Registration and legal expenses include for sale	2,000	6,000

Cost inflation indices for the financial years 1981-82, 1994-95 and 2016-17 were 100, 259 and 1125 respectively.

19. Mr. Kartik gives the following information of his incomes for the previous year 2016-17.

- Directors sitting fees from different companies Rs. 84,000.
- Dividend on shares of UK company Rs. 20,000.
- Dividend on shares of Indian Company Rs. 28,000.
- Royalty on a "Test book" Rs. 50,000.
- Ground rent for letting lands for a mining company Rs. 90,000.
- Income from agriculture in Nepal Rs. 60,000.
- Net amount received on lotteries Rs. 1,40,000.

His other investments are as follows :

- Rs. 1,00,000 8% Karnataka Government Bonds.
- Rs. 2,00,000 12% Bangalore Development Authority Bonds.
- Rs. 1,00,000 7% fixed deposit in state bank of India.

He claims the following expenses :



- i) Interest on loan taken for purchasing some of the above securities Rs. 17,000.
- ii) Collection charges Rs. 700.
- iii) Expenses on agriculture in Nepal Rs. 20,000.
- iv) Expenditure for preparing manuscript of text book Rs. 10,000.

Compute the income from other sources of Mr. Kartik for the assessment year 2017-18.

20. From the following receipts and payments account of Dr. Sunil and the additional information, compute his total income for the assessment year 2017-18.

Receipts and Payments Account

Cash on hand	2,000	Dispensary Expenses	22,000
Consultation fees	1,30,000	Medical periodicals	800
Visiting fees	20,000	Life Insurance premium	12,000
X-ray fees	50,000	Salaries to staff	60,000
Share from HUF	8,000	Domestic Expenses	55,200
Loan from bank for		Donations	20,000
Purchase of surgical		Deposit in bank	60,000
equipment	30,000	Car expenses	6,000
Winnings from lotteries (Net)	35,000	Cost of surgical equipment	60,000
Rent from house property		Cash in hand	3,000
letout	24,000		
	<u>2,99,000</u>		<u>2,99,000</u>



Additional Information :

- i) Depreciation allowable as per rule is Rs. 5,000.
- ii) Donations are Rs. 2,000 to political party and Rs. 18,000 to an approved charitable institution.
- iii) Domestic expenses include Rs. 6,000 being premium on mediclaim policy for himself.

21. Mr. Ravindra is the karta of hindu undivided family. He is furnishing the following particulars.

- a) Salary received by the member of the family from a company Rs. 10,000.
- b) Profits from family business Rs. 50,000.
- c) Rent from house property letout Rs. 32,000.
- d) Directors fees by karta Rs. 5,000.
- e) Municipal tax on let out house Rs. 2,000.
- f) Dividend from Indian company Rs. 5,000.
- g) Long term capital gain on sale of shares Rs. 10,000.
- h) Long term capital gain on sale of building Rs. 25,000.
- i) Donations paid to approved institution Rs. 5,000.
- j) Profit from partnership firm Rs. 10,000.
- k) Salary paid to family member working for family business Rs. 5,000.
- l) Expenditure on family religious function Rs. 3,000.

Karta made the following payments :

- a) Life insurance premium on the sons & daughters of family members Rs. 6,000.
- b) NSC (VIII issue) purchased in the name of the family Rs. 5,000. You are required to compute the total income of Hindu undivided family for the assessment year 2017-18.



22. A, B and C are equal partners in a firm. Following is their profit & loss account for the year ending 31/3/2017.

		Profit and Loss Account	
		Dr.	Cr.
To interest on captial at 15%			By Gross profit 2,50,000
A	9,000		
B	6,000		
C	4,500	<u>19,500</u>	
To salary to			
A	30,000		
B	30,000	60,000	
To income tax		9,000	
To Donation to			
approved institution		2,000	
To General expenses		9,500	
To Depreciation		6,000	
To Net Profit :			
A	48,000		
B	48,000		
C	48,000	1,44,000	
		<u>2,50,000</u>	<u>2,50,000</u>

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Additional information :

- a) Depreciation allowable amounted to Rs. 4,000
- b) General expenses include commission paid to Mr. C. Rs. 3,100.
- c) Mr. C is non - working partner.

Compute the total income of the firm for the assessment year 2017-18.

