

MAY 2016

**P/ID 77523/PMEG/
PMBF3/PMSF3/
MBNF3**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. State the importance of the tax planning in business.
2. What is total income and how it is computed?
3. Explain capital and revenue expenditure.
4. Enumerate any six transactions, which are not regarded as transfer for the purpose of capital gains tax under section 47 of the IT Act.
5. What do you mean by “Tax deducted at sources”?
6. Mentions the rules regarding the claim of deduction of depreciation.
7. State the provision relating to carry forward and set off of losses.
8. Write a short note on Venture Capital Company.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Enumerate the different categories of assesses according to their residential status. How this status is determined?
10. Discuss the differences between direct tax and indirect tax.
11. Explain the permissible deduction in computing income under the head “salaries”.
12. Explain the importance deduction allowed while computing income under “Profit and gains from business or profession.
13. Discuss the provision for the taxation of Non — Residents.
14. Write a note on :
 - (a) Deduction U/S 80 D
 - (b) Deduction U/S 80 DD.
15. Explain the Income Tax Provisions relating to the assessment of Individuals.
16. Distinguish between assessment of trust and assessment of companies.

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PART C — (1 × 20 = 20 marks)

(Compulsory)

17. The following particulars are given by M.D. Mathur, Madras, in respect of his annual income for the year ended 31st March 2015 :

- (a) Consolidated salary till 30-09-2014 at Rs. 13,500 p.m. and from 1.10.2014 Rs. 14,000 p.m.
- (b) House rent allowance at 20% of salary.
- (c) Contribution to recognized provident fund by self and employer - each 12% of salary.
- (d) Contribution to recognized Provident Fund by self and employer - each 12% of salary.
- (e) Life insurance premium paid Rs. 1,200. (sum assured Rs. 10,000)
- (f) Leave Travel Allowance received Rs. 20,000 was spent on travel to home district under LTC.
- (g) Interest and dividend incomes.

	Rs.
Interest on Term Deposits with Punjab Nation Bank	29,000
Income from units of Unit Trust of India	3,000
Interest on debentures of ponds India Ltd.	21,700
Dividend from co-op society	15,000
Interest on Govt. Securities	13,000
(h) Long term capital gains	30,000
Short term capital gains on sales of shares (STT Paid)	20,000

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- (i) Medical expenses incurred in treatment of self and family Rs. 5,000. His employer reimbursed Rs. 2,500.
- (j) Rent received from tenant of own house property Rs. 9,600. Municipal taxes paid Rs. 600.

Prepare Mathur's statement of income showing computation of taxable income giving such explanation as necessary and tax liability. Salary is due on last date of the month.

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