

**B. COM**  
**Third Semester**  
**DIRECT TAXES**  
**(BCM – 14)**

**Duration: 3Hrs.**

**Full Marks: 70**

Part-A (Objective) =20  
Part-B (Descriptive) =50

**(PART-B: Descriptive)**

**Duration: 2 hrs. 40 mins.**

**Marks: 50**

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

1. What do you mean by assessment? Discuss briefly any two types of assessments?  
(2+8=10)
2. (a) Discuss the procedure of calculating Short term Capital gains.  
(b) Mr Saurav had purchased a residential house property on 15-5-1990 for Rs. 1,20,000/-. He had spent Rs. 70,000 on improvement of house during the year 1991-92 on 4-8-2014, he sold the house for Rs. 13, 85,000/-. His expenses on transfer amounted to Rs. 15,000/-.  
Given Cost Inflation Index (CII) 1990-91:182; 1991-1992:199.  
Compute the amount of Capital gain for assessment year 2015-16. (5+5=10)
3. What is net wealth as per Wealth Tax Act? State briefly the procedure of calculating net wealth. Name any five assets which are exempted from net wealth as per Wealth Tax Act. (2+3+5=10)
4. What do you mean by advance payment of tax? State the consequences of non-payment of Advance tax. When and how much has an assessee to pay advance tax?  
(2+3+5=10)
5. Write short notes on- (5+5=10)  
(a) Residential status of an individual (b) Exempted incomes

6. Mr Rohan is employed in a private limited company in Jaipur, Rajasthan. During the previous year 2014-15, he received the following payments or perks from his employer: (10)

- i. Basic Salary 12,000 per month
- ii. Dearness Allowance Rs. 10,000 per month
- iii. Entertainment Allowance @ Rs. 1,500 Per month
- iv. Servant Allowance @ 500 per month
- v. Bonus for the year Rs. 70,000
- vi. Commission received Rs. 30,000
- vii. Free furnished accommodation, for which the employer paid a rent of Rs. 5,000 per month. Cost of furniture provided in the house is Rs. 15,000.
- viii. Employer's contribution to recognised Provident Fund @13% p.a. on basic.
- ix. Uniform Allowance Rs. 400 p.m. (Actual expenditure Rs. 200 per month on an average)

During the year previous year his employer deducted Rs. 2,500 as professional tax from his salary. Compute his income from salary for the assessment year 2015-16.

7. Explain briefly the procedure of determination of Net Annual Value of a let out house property? What are the various deductions from net annual value of a let out house property? (5+5=10)
8. What are the various incomes chargeable to tax under the head Profits and Gains from Business or profession? State various expenses allowable as deductions while computing Profits and Gains from Business or Profession? (5+5=10)

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**B. COM**  
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**Duration: 20 minutes**

**Marks – 20**

**(PART A - Objective Type)**

**I. Choose the correct answer:**

**1×10=10**

1. Agricultural income is fully exempted from income tax under which of the following section:  
a) 10(1)      b) 10(2)      c) 10(2A)      d) 80C
2. Which of the following is/are person(s) under Section 2(31) of Income Tax Act?  
a) A Firm      b) A Hindu Undivided Family  
c) A Company      d) All of the above
3. Wealth Tax is a:  
a) direct tax      b) indirect tax  
c) both a) and b)      d) none of the above
4. Income earned from sub-letting would be taxable under which of the following head?  
a) Income from salary      b) Income from house property  
c) Income from other Sources      d) Income from Business or profession
5. Under Section 208 of Income Tax Act, advance tax is payable when the estimated amount of income tax for a financial year exceeds?  
a) Rs. 5000      b) Rs.10000      c) Rs.15000      d) Rs. 20000
6. Which of the following is/are deemed asset(s) under Wealth Tax Act?  
a) Assets transferred to spouse without adequate consideration.  
b) Assets transferred under revocable transfer.  
c) Assets held by minor child.  
d) All of the above.
7. Mr. X purchased preference shares of ABC Ltd. on July 2011 and sold them on December 2012. The nature of transfer is:  
a) Short term      b) Long term  
c) Medium term      d) None of the above
8. Standard deduction is allowed in case of let out house property at:  
a) 10%      b) 20%      c) 30%      d) 35%

9. Which of the following is partly taxable allowance?
- |                                |                         |
|--------------------------------|-------------------------|
| a) Lunch allowance             | b) Dearness allowance   |
| c) City compensatory allowance | d) House rent allowance |
10. Any person who deducts tax at source but does not deposit it in the Government Treasury is called
- |                        |                      |
|------------------------|----------------------|
| a) Assessee in default | b) Deemed assessee   |
| c) Assessee in person  | d) None of the above |

**II. State whether true or false (Put '√' Mark):**

**1×5=5**

- An individual is considered resident in India if he satisfies any of the basic conditions specified under section 6(1) of Income Tax Act. (TRUE/FALSE)
- The Annual Value of self occupied house property is taken as nil. (TRUE/FALSE)
- Assets transferred to an adopted child can be considered as wealth of the parent under Wealth Tax Act. (TRUE/FALSE)
- Deduction in respect of Entertainment allowance under section 16(ii) of Income Tax Act 1961 is allowed in case of Government Employees only. (TRUE/FALSE)
- Motor car purchased by a person for his personal use is regarded as capital assets. (TRUE/FALSE)

**III. Fill in the blanks:**

**1×5=5**

- Cash in hand in excess of Rs..... in case of individual are considered asset for determination of Wealth Tax.
- An asset (except shares and debentures) is termed as short term capital asset if it is held for.....months.
- Income tax is a ..... tax on income.
- The reasonable expected rent of house property cannot be more than the ..... fixed under the Rent Control Act.
- As per section 2(7) a person by whom any tax or any other sum of money is payable under income Tax Act is known as.....

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