

**DIPLOMA IN TAXATION LAW (D.T.L.) (OLD COURSE) :**

**SUMMER - 2018**

**SUBJECT : INDIAN INCOME TAX ACT, 1961**

Day : **Friday**  
Date : **04/05/2018**

**S-2018-1549**

Time : **02.30 PM TO 05.30 PM**  
Max. Marks : 100

**N.B.:**

- 1) Attempt **ANY SIX** questions out of which **Q.No.1** is **COMPULSORY**.
- 2) **Q.No.1** carries **20** marks and all other questions carry **16** marks each.

**Q.1** Write short notes on **ANY FOUR** of the following:

- a) Assessee
- b) Capital Expenditure and Revenue Expenditure
- c) Previous Year
- d) Total Income
- e) Provisions u/s 80 d
- f) Best Judgment Assessment

**Q.2** Shri Vishwas is employed as an Engine Driver in Indian Railways. He is getting ₹ 7,500 p.m. as basic pay and ₹ 2,500 per month as Dearness pay and ₹ 2,500 per month as Dearness allowance.

- a) ₹ 16,500 as Running allowance.
- b) ₹ 200 p.m. per child as Educational allowance for his two children.
- c) One of his sons is staying in a hostel on which Raman is spending allowance for meeting this expenditure.
- d) ₹ 250 p.m. as C.C.A.
- e) ₹ 400 p.m. as uniform allowance fully spent for employment purposes.
- f) ₹ 1,250 p.m. as HRA. He pays ₹ 1,500 p.m. as rent to house Owner. He contributes 10% of his Basic pay and dearness pay to SPF and the Indian Railways contributes a similar amount.

Compute his Taxable Salary for A.Y. 2016-17.

**Q.3** The following in the Profit and Loss Account for the year ending March, 31<sup>st</sup> 2016 furnished by Mr. Ajay.

| Particulars              | ₹               | Particulars                        | ₹               |
|--------------------------|-----------------|------------------------------------|-----------------|
| To Salary                | 39,000          | By Gross Profit                    | 1,00,000        |
| To Advertisement         | 4,000           | By Sundry Receipts                 | 4,200           |
| To Fire Insurance        | 1,750           | By Gift from Father                | 12,500          |
| To Office Expenses       | 2,250           | By interest on bank Deposits       | 3,000           |
| To Depreciation          | 7,900           | By Bad debts recovered             | 2,700           |
| To Bonus                 | 6,400           | (Not allowed as deduction earlier) |                 |
| To Income Tax            | 4,300           |                                    |                 |
| To Sales Tax             | 2,250           |                                    |                 |
| To Interest on Bank Loan | 2,800           |                                    |                 |
| To R.D.D                 | 1,750           |                                    |                 |
| To Net Profit            | 50,000          |                                    |                 |
|                          | <b>1,22,400</b> |                                    | <b>1,22,400</b> |

**Additional Information:**

- a) Salary includes ₹ 2,100 paid to a domestic servant.
- b) Advertisement includes ₹ 275 as expenditure incurred for selling household furniture.
- c) Allowable depreciation as per Income Tax rules in ₹ 7,000.

**P.T.O.**

You are required to compute taxable income from business for the Assessment Year 2016-17.

- Q.4** Explain the provisions regarding determination of annual value of the house property.
- Q.5** State what do you understand by the term Residential status of Assessee. What conditions are laid down for determination of “Residence of Individuals, HUF and Firm”.
- Q.6** Enumerate any ten incomes which are exempted u/s 10 of the Income Tax Act.
- Q.7** Explain what do you understand by “Income from other sources”. State the main incomes which are included under this head.
- Q.8** Explain provisions regarding clubbing of income under Income Tax Act.
- Q.9** Explain the provisions relating to deducting of tax at source.
- Q.10** State who can appeal against the order of the Assessing Officer. Explain the procedure of filing the appeal before the first appellate authority.

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