

S.D.E.

Diploma in Taxation Law (D.T.L.) (2017 Course) : WINTER - 2018

SUBJECT : INCOME TAX ACT, 1961

Day : Monday  
Date : 29/10/2018

W-2018-4418

Time : 10.00 AM TO 01.00 PM  
Max. Marks : 100

N.B.:

- 1) Attempt ANY SIX question including Q. No. 1 which 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) Agriculture Income
- b) Indexed Cost of Acquisition
- c) Assesse
- d) Deemed Income
- e) Income
- f) Best Judgment Assessment

Q.2 Mrs. Raj Kumar is the export manager of HI-TECH India Ltd. Since 1<sup>st</sup> January, 2009, she provides you the following information for the previous year ended 31<sup>st</sup> March, 2017.

- a) Salary @ Rs. 38,000/- per month.
- b) Ex-gratia Rs. 37,000/-
- c) House Rent Allowance Rs. 22,000/- (Exempt u/s 10 (13A) Rs. 7,000/-).
- d) Entertainment Allowance @ Rs. 2,000 per month
- e) Arrears of salary Rs. 28,000/-
- f) Company deducted Profession Tax from salary Rs. 2,500/-

She was on leave for one month and went to Kashmir on 31<sup>st</sup> March, 2017. She took the salary of April in advance.

Compute the taxable Income under the head "Salaries" of Mrs. Raj Kumar for the assessment year 2017-18.

Q.3 Mr. Kulkarni own two houses, one at Vashi New Mumbai and other at Parel Mumbai. He gave the following particulars for the year ended 31<sup>st</sup> March, 2017.

- A) Vashi house: This house is let out for Rs. 12,000/- a year. He borrowed funds from Abhyuday Co-operative Bank for construction of this house. He made following payments during the year.
  - i) Municipal taxes Rs. 3,240/- which were recovered from the tenant subsequently as per the terms of tenancy.
  - ii) Insurance Premium Rs. 1,300/-
  - iii) Ground Rent Rs. 500.
  - iv) As per the decree of the court Mr. Kulkarni has to pay Rs. 800/- per month to his mother towards her maintenance out of the income of this property.
  - v) Interest paid to Abhyuday Co-operative bank Rs. 1,200/-
  - vi) Land Revenue Rs. 300/-
  - vii) He paid collection charges of rent Rs. 200/-
  - viii) Rent of one month could not be recovered and is to be treated as unrealized rent.
- B) Parel House: The house is occupied by himself. Retable value of this house is ascertained Rs. 24,000/-. He incurred the following expenses:
  - i) Rs. 3,000/- on repairs.
  - ii) Municipal Taxes paid Rs. 6,500/-.
  - iii) Interest paid to HDFC Rs. 36,000/-.

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He borrowed funds from HDFC for the purpose of construction of this house, prior to 1<sup>st</sup> April, 2006.

You are required to compute taxable income of Mr. Kulkarni under the head Income from house Property for the assessment year 2017-18.

- Q.4** Explain the provisions regarding Residential status of Individual under Income Tax Act, 1961.
- Q.5** State those expenses which are expressly disallowed while computing Income under Income from Business or Profession.
- Q.6** Enumerate any 10 incomes which are exempted u/s 10 of the Income Tax Act, 1961.
- Q.7** Define transfer under the head 'Income from Capital Gain.' State those transfer which are directed as not a transfer for capital gain purpose.
- Q.8** State the provisions relating to 'Interest' and 'Penalties' under Income Tax Act, 1961.
- Q.9** Discuss the provisions regarding Income Tax Authorities and discuss the powers of 'CBDT' under Income Act, 1961.
- Q.10** State the provisions regarding Advance payment of tax under Income Tax Act, 1961.

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