

**DIPLOMA IN TAXATION LAW (D.T.L.) (2015 COURSE) :**

**WINTER - 2017**

**SUBJECT : INCOME TAX ACT, 1961**

Day : **Monday**  
Date : **27/11/2017**

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

**W-2017-1420**

**N.B.:**

- 1) Attempt **ANY SIX** questions including. **Q.No.1** is **COMPULSORY**.
- 2) **Q.No.1** carries **20** marks and the remaining 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. Sonal 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, 2016:

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

She was on leave for one month and went to Kashmir on 31<sup>st</sup> March, 2016. She took the salary of April in advance.

Compute the taxable income under the head "Salaries" of Mrs. Sonal for the assessment year 2016-17.

**Q.3** Mr. Deodhar 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, 2016.

- A)** Vashi house: This house is let out for ₹ 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 ₹ 3,240/- which were recovered from the tenant subsequently as per the terms of tenancy.
  - ii) Insurance Premium ₹ 1,300/-.
  - iii) Ground Rent ₹ 500.
  - iv) As per the decree of the court Deodhar has to pay ₹ 800/- per month to his mother towards her maintenance out of the income of this property.
  - v) Interest paid to Abhyuday Co-operative bank ₹ 1,200/-.
  - vi) Land Revenue ₹ 300/-.
  - vii) He paid collection charges of rent ₹ 200/-.
  - viii) Rent of one month could not be recovered and is to be treated as unrealized rent.

**P.T.O.**

**B)** Parel House: The house is occupied by himself. Retable value of this house is ascertained ₹ 24,000/-. He incurred the following expenses:  
i) ₹ 3,000/- on repairs.  
ii) Municipal Taxes paid ₹ 6,500/-.  
iii) Interest paid to HDFC ₹ 36,000/-.  
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. Deodhar under the head Income from house Property for the assessment year 2016-17.

- 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 Tax Act, 1961.
- Q.10** State the provisions regarding Advance payment of tax under Income Tax Act, 1961.

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