

**DIPLOMA IN TAXATION LAW (D.T.L.) (OLD COURSE) :**  
**WINTER - 2017**

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

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

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

**W-2017-1412**

**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) Indexed cost of Acquisition
- b) Income
- c) Income Escaping Assessment
- d) Donation under section 80 G
- e) Revised return
- f) Taxable perquisites

**Q.2** Mr. Dilip an accountant of 'K' Ltd., has provided you the following details of his income during the year 2015-16:

Particulars	Amount
Basic Salary	2,40,000
DA 50% of basic salary HRA	12,000
Helper allowance (actual expenditure ₹ 10,000)	12,000
Education allowance	6,000
Free gas and electricity	2,400
Free telephone at residence of Mr. Ravi	9,000
Leave travel concession (no journey undertaken)	6,400
Contribution to RPF by the employer	24,000

Mr. dilip has two daughters and one son, studying in school. Mr. Dilip is staying in a rented house by paying rent ₹ 25,000 p.m. You are required to compute taxable income from salary for the A.Y. 2016-17.

**Q.3** The following in the Receipts and Payments Account of Medical practitioner for the year ending March, 31<sup>st</sup> 2016.

Receipts	₹	Payments	₹
Balance b/d	1,10,000	Clinic Rent	15,000
Visiting fees	65,000	Staff salaries	80,000
Consultation fees	65,000	Rent and taxes	5,000
Sales of medicines	25,000	Electricity and water	4,000
Operation Theatre Rent	15,000	Purchase of medical books	4,000
Interest and Dividend	20,000	Purchase of medicines	30,000
		Motor car expenses	15,000
		Medical association membership fees	5,000
		Audit fees	20,000
		Staff welfare expenses	2,000
		Diwali Expenses	1,000
		Entertainment Expenses	6,000
		Purchase of Surgical Equipment	30,000
		Balance c/d	83,000
	<b>3,00,000</b>		<b>3,00,000</b>

**P.T.O.**

***Additional Information:***

- a) Depreciation allowable under Income Tax Rules is amounted to ₹ 4,500 on surgical equipment and ₹ 6,000 for motor car (for professional use).
- b) One third of motor car expenses relate to his personal use. Compute the taxable income from profession for the A.Y. 2016-17.

- Q.4** State which deductions are expressly disallowed under the head “Profit and Gains of Business or Profession”.
- Q.5** State the provisions relating to rectification of mistakes.
- Q.6** Discuss the provisions of the Income Tax Act, 1961 in regard to payment of advance tax.
- Q.7** Explain the provisions of ‘Appeal and Revision’. State the orders of the Income Tax Officers against which an appeal can be filed with the Deputy Commissioner (Appeal).
- Q.8** Define ‘Capital Assets’. Explain what are those transfers which are not treated as transfer for capital gain purposes.
- Q.9** State the conditions and limits laid down under sections 80 L in respect of deductions on interest, dividend etc.
- Q.10** Explain the provisions regarding the levy of penalty imposed on an assessee under Income Tax Act, 1961.

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