

**ACHARYA NAGARJUNA UNIVERSITY**  
**B.Com. (General) & Restructured Degree Examination**  
**Second Year B.Com. - Fourth Semester**  
**Model Question Paper**  
**INCOME TAX**

**Time : THREE HOURS**

**Maximum : 75 Marks**

**SECTION - A**

**[5 x 5 = 25 Marks]**

**Answer any FIVE of the following.**

1. Assessee.
2. Give five examples of exempted incomes under Section 10.
3. Kinds of Provident Funds.
4. Deductions under Section 16.
5. Annual Value of a house property.
6. Long term capital gain.
7. Write any five taxable items of income under the head "Income from other sources".
8. Section 80E

**SECTION - B**

**[5 x 10 = 50 Marks]**

**Answer FIVE of the following, selecting ONE question from each unit.**

**UNIT - I**

9. Clearly explain the conditions to be satisfied for an income to be treated as agricultural income.
10. Conditions for determining the residential status of an individual.

**UNIT - II**

11. **Mr. 'X' furnishes the following details of his salary income:**

Basic Salary	1,80,000
DA (Part of Salary)	56,000
City Compensatory Allowance	6,000
Entertainment Allowance	8,000
Travelling Allowance (50% spent)	9,000
Bonus	10,000
Commission	12,000
House Rent Allowance (Rent paid at Chennai Rs.18,000)	12,000
Own contribution to RPF	18,000
Employer's Contribution to RPF	18,000
Interest on RPF @12%	7,200

Compute his taxable Salary for the assessment year 2016-2017.

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12. **Mr. Sidhartha, a Government employee, furnishes the following information:**

- (a) Basic Pay Rs.15,000 P.m.
- (b) Dearness Allowance Rs.5,000 P.m (enters retirement benefits)
- (c) Rent-free furnished accommodation owned by employer having a Fair Rental Value of Rs.60,000 p.a; cost of furniture Rs.88,000; rent fixed by Govt. Rs.24,000p.a.
- (d) Entertainment Allowance Rs.8,000
- (e) Own contribution to Statutory Provident Fund Rs.20,000
- (f) Employer's contribution to Provident Fund Rs.20,000
- (g) Interest on Provident Fund @ 14% Rs.7,000
- (h) Children education allowance of Rs.6,000 (for two children).

Compute his taxable Salary for the assessment year 2016-2017.

**UNIT - III**

13. Mr. X has a house property in Hyderabad. During the previous year he has occupied the house for 4 months for residential purpose and thereafter he has let out on a monthly rent of Rs.10,000. Municipal Value of Rs.1,00,000; Fair Rental Value Rs.1,20,000; Standard Rent Rs.1,50,000; Municipal Taxes 10%; Repairs Rs.10,000; Collection charges Rs.10,000; Insurance Rs.12,000. Interest on loan taken to construct the house Rs.75,000. Compute his income from house property for the assessment year 2016-2017.

14. Below given are the particulars of Mr 'X'

<b>Particulars</b>	<b>Rs.</b>
Municipal Value	40,000
Fair Rental Value	60,000
Actual Rent	80,000
Standard Rent	50,000
Municipal Taxes	10%
Sewerage taxes	4,000
Interest on loan	12,000
Ground rent (due)	3,000
Land Revenue paid	6,000
Interest on loan prior to construction	15,000
Date of Construction	01-06-2013

Compute income from house property for A. Y. 2016-2017 of Mr. X.

**UNIT - IV**

15. Mr. Ramlal sold his residential house for Rs.20,20,000, in August 2015 (CII ), the cost of which was Rs.2,00,000 when purchased in 1989-90 (CII. 172). After selling the house, within one year he has undertaken the construction of house (Rs.3,50,000) and the amount deposited in a Nationalized Bank under capital gain scheme Rs.2,00,000 before filing the return. Compute his income from capital gain, for the assessment year 2016-2017.
16. Mr. Saxena has the following investments and incomes for the previous year ended 31-03-2016.
1. Dividend from a Company (gross) Rs.7,800.
  2. Examination remuneration Rs.2,000.
  3. Royalty by publication of a book Rs.48,000.
  4. Winning from lottery Rs.40,000 (gross).
  5. Rs.40,000 - 10% Debentures of a Company (listed).
  6. Rs.40,000 - 12% Tax free Punjab Govt. Securities.
  7. Rs.50,000 - 13% Less Tax Commercial Securities.
  8. Rs.40,000 - 10% Tax free debentures of a company.
  9. Rs.3,600 as interest on tax free debentures (not listed).

Compute his taxable income from Income from other sources for the assessment year 2016-2017.

**UNIT - V**

17. Mr. Sriram is a senior citizen gives you the following income particulars. Compute his taxable income for the assessment year 2016-2017.
- |  |          |
|--|----------|
| (i) Pension from Government                      | 3,30,000 |
| (ii) Long term capital Gain                      | 50,000   |
| (iii) Short term capital Gain                    | 30,000   |
| (iv) Interest on fixed deposit                   | 10,000   |
| (v) Winning from Lottery (gross)                 | 10,000   |
| (vi) Deposited in NSC. VIII issue Rs.15,000,     |          |
| (vii) Deposit in Pension Scheme u/s 80CCC 30,000 |          |

18. Mr. Raja submits you the following information relating to the financial year ending 31, March 2016. Compute his total income for the assessment year 2016-2017.

(i) Income from house property (computed)	1,50,000
(ii) Salary received	1,20,000
(iii) Business profits	2,80,000
(iv) Longterm Capital gain	80,000
(v) Short term Capital loss	60,000
(vi) Interest on Savings Bank Deposits	28,000
(vii) Interest on Government Securities	2,000
(viii) Donation to Prime Ministers National Relief Fund	50,000

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V. Vijaya Kumar  
Chairman - Board of Studies  
Commerce.

18-7-2016

