

PARUL UNIVERSITY
FACULTY OF COMMERCE
M.Com.(Hons), Summer 2017 – 18 Examination

Semester: 1**Subject Code: 16201103****Subject Name: Direct Taxes****Date: 30/05/2018****Time: 10:30 AM TO 1:00 PM****Total Marks: 60****Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**A) Multiple choice type questions. (Each of one mark)****(06)**

1. There are mainly _____ types of taxes.

a) 2	b) 3
c) 1	d) 4
2. The Income Tax Act came into force on _____.

a) 01.04.1962	b) 01.04.1961
c) 01.03.1962	d) 01.03.1961
3. Every year, the _____ of the Government of India introduces the Finance Bill in the Parliament's Budget Session.

a) Prime Minister	b) President
c) Finance Minister	d) Chief Minister
4. Section 87A provides a rebate from the tax payable by an assessee, being an individual resident in India, whose total income does not exceed _____.

a) 5,00,000	b) 2,50,000
c) 10,00,000	d) 50,000
5. What is the rate of surcharge for an individual/ HUF/ AOP/ BOI/ AJP having Total Income more than 1 Crore is _____.

a) 10%	b) 15%
c) 12%	d) 7%
6. The rate of "Secondary and higher education cess on income-tax" is _____.

a) 1%	b) 3%
c) 4%	d) 2%

B) Definitions / One-liners / Terms. (Each of one mark)**(06)**

1. What do you mean by tax?
2. Define Assessee.
3. What do you mean by Assessment Year?
4. What do you mean by "Surcharge"?
5. Name the two schools of Hindu Law.
6. What do you mean by domestic Company?

Q.2 Numerical / Short Note Questions. (Each of 04 mark)**(12)**

1. Mr. C, a Japanese citizen left India after a stay of 10 years on 1.06.2014. During the financial year 2015-16, he comes to India for 46 days. Later, he returns to India for 1 year on 10.10.2016. Determine his residential status for the A.Y.2017-18.
2. The business of a HUF is transacted from Australia and all the policy decisions are taken there. Mr. E, the karta of the HUF, who was born in Kolkata, visits India during the P.Y.2016- 17 after 15 years. He comes to India on 1.4.2016 and leaves for Australia on 1.12.2016. Determine the residential status of Mr.E and the HUF for A.Y. 2017-18.

3. Jayashree owns five houses in Chennai, all of which are let-out. Compute the GAV of each house from the information given below –

Particulars	House I	House II	House III	House IV	House V
Municipal Value	80,000	55,000	65,000	24,000	75,000
Fair Rent	90,000	60,000	65,000	25,000	80,000
Standard Rent	N.A.	75,000	58,000	N.A.	78,000
Actual rent received/ receivable	72,000	72,000	60,000	30,000	72,000

Q.3 Answer the following. (Any Three) (18)

- Mention the slab rates of tax for A. Y. 2018-19 of the following:
 - Individual of age \leq 60 years
 - Mr. X (42 years) has a total income of ` 12,00,000. Compute his gross tax liability.
- Write a short note on “Income”?
- Write a short note on “Charge of Income Tax”?
- Mention the cases when income of a previous year will be assessed in the previous year itself.

Q.4 Answer the following. (Any two) (18)

- Anirudh has a property whose municipal valuation is ` 1,30,000 p.a. The fair rent is ` 1, 10,000 p.a. and the standard rent fixed by the Rent Control Act is ` 1, 20,000 p.a. The property was let out for a rent of ` 11,000 p.m. throughout the previous year. Unrealised rent was ` 11,000 and all conditions prescribed by Rule 4 are satisfied. He paid municipal taxes @10% of municipal valuation. Interest on borrowed capital was ` 40,000 for the year. Compute the income from house property of Anirudh for A.Y.2017-18.
- Mention the steps contained in the procedure of computation of total income for the purpose of levy of income tax.
- Write a short note on “Person”.