

**B.V. Patel Institute of Business Management, Computer & Information Technology**  
**UkaTarsadia University**  
**2<sup>nd</sup> Internal Exam**  
**030100510- Income Tax**

**Class: B.COM (V)**

**Date: 11<sup>th</sup> October, 2017**

**Marks: 50**

**Time: 2hrs.**

**Q.1 Answer the following. (Any Five)**

**10**

1. Define Block of Assets.
2. List out all the available deductions with its headings and limits.
3. What is the basis of charge in house property?
4. List out all the incomes chargeable under the head other sources.
5. Specify the rules of self occupied house property for interest on borrowings.
6. Which rate of depreciation applied for intangible assets? List out 5 intangible assets.

**Q2. Answer the following. (Any Two)**

**20**

1. X owns the following assets on April 1, 2016 :
 

Assets	WDV on April 1, 2016	Rate of depreciation (%)
Furniture	20,170	10
Building	9,00,500	10
Plant and machinery	2,10,000	20
Plant and machinery	64,00,000	15
Plant and machinery	2,05,000	40

During the previous year 2016-17, the following assets are purchased by X:

Date of Purchase	when asset put to use	Asset	Cost (Rs.)	Dep (%)
October 1, 2016	October 9, 2016	Trademark	15,000	25
June 20, 2016	June 22, 2016	Plant (Second-hand)	1,90,000	40
November 30, 2016	December 1, 2016	Foreign made car	1,40,000	15
December 6, 2016	December 10, 2016	Books for professional use	2,700	100

Determine the amount of depreciation for the assessment year 2016-17.
2. X owns the following assets on April 1, 2016 :
 

Assets	WDV on April 1, 2016	Rate of depreciation
Furniture	25,000	10 %
Building	90,000	10 %
Plant and machinery	1,20,000	40 %

During the previous year 2016-17, the following assets are purchased by X:

Purchase Date	put to use	Asset	Cost (Rs.)	Depreciation
Oct 1, 2016	Oct 9, 2016	Trademark	15,000	25 %
June 20, 2016	June 22, 2016	Plant (Second-hand)	1,90,000	40 %
Dec 6, 2016	Dec 10, 2016	Books for professional use	2,700	100 %

Determine the amount of depreciation for the assessment year 2017-18.
3. Mrs. X holds the following securities on 1/04/2016 :
 

Rs. 20,000, 10% non listed debentures of ABC Ltd. (interest 1st June and 1st December)

Rs. 1,70,000, 10% Central Government Security. (interest 28th February every year)

Rs. 1,30,000, 11% debentures of PQR Ltd. (interest March and September)

On 31st October, 2016, Mrs. X sells Rs. 1,30,000, 11% debenture of PQR Ltd.

Remuneration received from college for assessing answer books: Rs.12,500.

He pays Rs. 500 as commission to his banks for collecting interest on securities.

Her salary income is Rs. 11,83,860. She contributes Rs.1,32,370 towards URPf.

Mrs. X gets a gift from her husband of Rs. 1,50,000 on 31st March, 2017.

Determine the taxable income for the assessment year 2017-18.

**Q3. Answer the following. (Any Two)**

1. Mr. X, a resident and ordinary resident in India, gives the following particulars of his income and expenditure for the previous year ending on 31<sup>st</sup> March, 2017.  
 Rent of house situated in Delhi: Rs.30,000.  
 Rent from letting of building (Bombay) along with plant & machinery (letting out of building cannot be separated from letting out of plant & machinery): Rs. 60,000; depreciation on building in Bombay: Rs.3,000; depreciation of building in Delhi: Rs. 2,000; repairs and maintenance of building (Bombay): Rs.6,000.  
 Dividend from preference share from Indian Company: Rs. 100,000  
 Dividends from Reliance Ltd. U/S 2(22e): Rs. 2700 (net; TDS:10%); interest on loan borrowed for investments Rs. 2,000.  
 Remuneration received from university: Rs. 10,000.  
 Royalty Income: Rs. 7,500  
 Winnings from horse race: Rs. 13,000 (gross)  
 Interest on 6.5% National Relief Bonds: Rs. 42,000.  
 Gift received from friend in foreign currency: Rs.20,000. & another Gift received from friend on 21<sup>st</sup> April, 2017 Rs. 2,40,000.  
 Determine the income chargeable under the head other sources.
2. Mr. X owns 3 houses particulars of which are as follows:
- | Particulars           | H-1                    | H-2          | H-3            |
|-----------------------|------------------------|--------------|----------------|
| MV                    | 36,000                 | 15000        | 68,000         |
| FR                    | 38,000                 | 20,000       | 77,000         |
| SR                    | 36,200                 | 22,000       | 75,000         |
| Annual Rent           | 42,000                 | -            | -              |
| Unrealized Rent       | 4500                   | -            | -              |
| <u>Municipal tax:</u> |                        |              |                |
| Paid by Mr. X         | -                      | 1000         | 7,000          |
| Paid by tenant        | 4500                   | -            | -              |
| Repairs               | -                      | 2,000        | 1,000          |
| Collection charges    | 1200                   | -            | -              |
| Land revenue          | 1400                   | 400          | 300            |
| Ground rent           | 1300                   | 300          | 300            |
| Nature of occupation  | Let out for residence. | Own business | Self residence |
- H1 remains vacant for 2 months (Feb. – March, 17), Mr. X borrows Rs.60,000 & Rs.80,000 for construction of H1,H3 respectively, date of borrowing 1-1-09. Date of repayment of loan along with interest, 31-09-16, rate of interest is 15% p.a. calculate taxable income for the Ass.yr.2017-2018
3. Mr. X owns a big house. The house has three independent units, unit 1(40% of the floor area) is let out for residential purpose on monthly rent of Rs.8200/-. Unit 1 remains vacant for 1 month. A sum of Rs. 700 could not be collected from tenant. Unit 2 (10% of the floor area) is used by X for the purpose of his profession, while unit 3 the remaining 50% for the purpose of his residence. Other particulars are as follows:  
 MV- Rs.60,000, FR: Rs.70,000, SR: Rs.90,000, Municipal Tax: 15,000, Repairs: Rs.4000, interest on capital borrowed for renewal of the property: Rs.36,000, ground rent: Rs.6400, fire insurance premium:Rs.15,000.  
 Determine the taxable income of Mr. Z for the Assessment Year 2017-2018.