18 UBM 305TAXATION

<u>K1 LEVEL QUESTIONS</u>

UNIT I

1. _______________ The tax is

   a) National income b) domestic income **c)** per capita income **d)** both Aand B

2. . Direct Tax is getting from_

   a)customer b) buyer c) employees d) **persons**

3. Income Tax Act was passed

   a) 1955 **b) 1961** c) 1956 d) 1939

4. Assessment year is called

   a) Tax paid b) income earned **c)** loss **d)** profit earned

5. Previous year started from

   a) April

   b) march

   c) January

   d) September

6. Who is Tax payer?

   a) Assessee

   b) Businessman

   c) trust

   d) farmer

7. one of the basic conditions under residential Status days

   A 186

   B **182**

   C. 181

   D. 180

8. Who is an ordinarily Resident?

   a) Both basic and additional

   b) Only basic

   c) only additional

   d) Not basic and additional conditions

9. Who is non resident?

   a. **not followed by any one of the basic conditions**
   b. only basic
   c. only additional and basic
   d. none of this above

10. The following is capital receipt

   a) Salary paid by HUF to a member is.
   b) Dividend from investment.
   c) Bonus shares.
   d) Sale of technological know- how.

UNIT II

11. Rent paid to a partner by a PFAF is.

   a) **Allowable expense.**
   b) None business expenditure.
   c) Rebate to firm.
   d) None of these.

12. The year in which the income is earned is called

a) **previous year**
b) current year
c) Assessment year
d) None

13. Interest paid by AOP to members is.

   a) A .Allowable business expenses of AOP.
   b) B. **Allowable business expenses of hUF**
   c) C. Expense for members.
   d) D. None of these

14. Agriculture Income is ____

a) Taxable
b) **not taxable**
c) partly taxable
d) none of this above

15. House rent allowances is____

a) Fully taxable

b) **partly taxable**

c) fully exempted

d) none of this above

16. Determining the tax liability is called.

a) Assessment

b) Scrutiny

c) Enquiry.

d) Enquiry.

17. Deduction of tax at source made for incomes which can be calculated in advance is called.

a) **T.D.S.**

b) PAS.

c) FAS.

d) MAS.

18. Under the income- tax act, the incidence of taxation depends on

a) The citizenship of the tax-payer.

b) The age of the taxpayer

c) **The residential status of the tax-payer.**

d) The gender of the taxpayer

19. Rent received from building held by an assessee as stock-in-trade is taxable under the head.

a) profit or gains of business or profession.

b) **income from house property**.

c) income from other source.

d) income from salaries

20. short term capital asset (except financial assets) is the one held for not more than.

a) 48 months.

b) 36 months.

c) 60 months.

d) 70 months.

UNIT III

21. Compensation received for loss of trading asset is a.

a. **Capital receipt.**

b. Revenue receipt.

c. a casual receipt.

d. None of these.

22. Which of the following is not a revenue expense?

a) Rent of office building

b) Sales tax and excise duty paid

C)Payment made on dismissal of company

d)Remuneration to promoters of a temporary employee   ANSWER: A

23. Loss due to fire of hired machinery is.

a. Capital loss.

b. Revenue loss.

c. Capital expenditure

d. None of the above.

24. Residential status of taxable entities is.

a) Fixed in nature.

b) Can change from year to year.

c) Fixed once in 5 years.

d) None of these

25. As per the first basic condition to determine residential status, a person should have been in India during the previous year concerned for.

a. 60 days or more

b. 120 days or more.

c. 182 days or more.

d. 240 days or more. ANSWER: C

a) 26. An individual who wants to be resident of India u/s 6a. a. must stay in India for at least.

A) 730 days in 10 previous years.

B) 182 days in the previous year.

C) 365 days in the previous year.

D) D) 150 days in the previous year.

27. A person is Non resident if he fails to fulfill.

a) The additional conditions.

b) **At least any one of the basic conditions**.

c) c)Both basic conditions.

d) d)None of these.

28. An Indian companys residential status is that it is always.

A)**Resident.**

B) Non resident.

C)Ordinarily resident.

D) None of these.

29. Salary paid by an Indian company to its employees working in one of its branches outside India is.

a. Salary accruing in India.

b. Salary deemed to accrue in India.

c.Salary accruing outside India.

e. None of these.

30. Income received in India is taxable in the hands of.

a) A)Resident only.

b) B)Resident and ordinarily resident only.

c) C) Non-resident only.

d) **D)All assessees**.

UNIT IV

31. Income received outside India from a business controlled from India is taxable in the hands of.

a. a **Resident and ordinarily resident and resident and not ordinarily resident**.

b. Non-resident only.

c. C. Not ordinarily resident only.

d. None of these.

32. Income accrued and received outside India is taxable in the hands of.

a)Non-resident.

B)Resident and ordinarily resident.

c)Resident and not ordinarily.

D) None of these residents. ANSWER: B

33. Allowances of MP/M.L.A / or M.L.C are.

a) **Fully exempted**.

b) Fully taxable.

c) Partly exempted.

D) None of these.

34. Share of income from firm is.

a) Taxable in the hands of partner

b) Exempted in the hands of partner.

c) Exempted in the hands of firm.

d) None of these.

35. In case of Tax free salary.

a) Tax is to be paid by employer

b) No tax is payable on such salary

c) Tax is to be paid by the employee.

d) Govt, itself pays the tax at a future date.

36. Allowances received by a government employee posted abroad are.

a. Fully exempted.

b. Partly exempted.

c. Fully taxable.

d. Taxable by the country where posted.

37. Dearness allowance is taxable in the hands of.

a) Govt employees

b) Non Govt employees

c**) All employees**.

D. None of these.

38. Exempted limit of HRA in non metropolitan cities is.

a. **40% of salary**.

b. 50% of salary.

c. 10% of salary.

d. 7.5% of salary.

39. Education allowance is exempted upto a maximum of.

a)One child.

b) **Two children.**

c)Three children.

d) Four children.

40. Interest on RPF balance is exempted upto.

a)9.75%.

b)9.5%.

c)10%.

d)12%.

UNIT V

41. Employers contribution to RPF is exempted upto.

a)10% of salary.

b)13% of salary.

c)12% of salary.

D)11% of salary.

42. Commuted value of pension is fully exempted in case of

a) an employee of private sector. B)an employee of a public sector undertaking.

c) A Govt, employee. D) none of these**.**

43. Leave encashment received during service by a govt or non govt employee is.

a)Fully exempted. B) Partially exempted. C)**Fully taxable**. D)employer has to pay tax on it.

44. .______ are empowered to levy and collect taxes.

a) Only public authorities

b) Anybody

c) Private Organizations

d)Partners

45. The basic objective of Taxation is _____.

a) To procure resources

b) To provide incentives to save

c) To check inflation

d)To achieve reduction in consumption of goods

46. If a person is considered as an Assessee in place of another person due to valid reasons or causes, he is a

a) Replacement assessee

b) Deemed assessee

c) Assessee in due course

d)Assessee-in-default

47. Reimbursement of medical bill for treatment from an un recognized hospital is .

a) Fully exempted

b) Exempted upto 15,000

c) Fully taxable

d) not an income

48. Annual value of self occupied house is .

a) always nil

b) always fully taxable

c) higher of MRV/FRV

d) None of these

49. Expected rent cannot exceed_____.

a) MRV

b) FRV

c) Actual Rent

d) **Standard Rent**

50. Income from rent of agricultural lands is ____.

a) Income from house property

b) Income from other sources

c) Business income

d) **Agricultural income**

18 UBM 305TAXATION

K 2 LEVEL QUESTIONS

UNIT I

1. Define Agriculture income

2. Define assesse.

3. Define fair market value

4. Define Person.

5. Define income.

6. Expand GTI

7. Define assessment year

8. Define previous year.

9. Define Business Trust

10. Define charitable trust

Unit II

11. Define salary.

12. Define employer.

13. Define employee

14. Expand RPF

15. Explain transfer balance.

16 Explain compensatory allowance

17. Define Entertainment allowance

18. Define perks.

19. Define furnished accommodation

20. Define un furnished accommodation.

Unit -III

21.Define house property

22. Expand RRV

23. Expand MRV

24 Expand FRV

25. Expand ERV

26. Define self occupied property

27. Define let out property

28. Define standard deductions

29. Define loss from house property.

30. Define Co-owners.

UNIT IV

31. Define profession

32. Define Business.

33. Define compensation

34. Define perquisite.

35. Define speculation.

36. Define repairs.

37. Define insurance premium .

38. Define deemed profits.

39. Define Insurance premium.

40. Define rent.

Unit v

41. Define capital assest.

42. Define capital gains

43. Define income from other sources.

44. Define Dividend

45.Define good will .

46. Define long term capital.

47 Define acquisition.

48. Define renouation.

49.Expand LTCG.

50.Expand STCG.

18 UBM 305 TAXATION

K 2 LEVEL QUESTIONS

UNIT I K3

1. Categorize the difference between capital receipts v/s revenue receipts.(k3)

(UNIT II) K3

2. Calculate the taxable amount of annual accretion to R.P.F. if the following information is provided by assesses:

   i Pay @ Rs.24,500 p.m.

   ii Commission by him on the basis of turn over achieved by him : Rs. 36000

   iii Employers contribution to R.P.F.@ 14% of salary:

   iv Interest credited during the year to R.P.F. balance @ 12% is Rs. 24000.

3. Mr. Raja joined a new job in the April 2012. His particulars of salary for the previous year 2017-18 are as under:

Basic salary	Rs.40000 p.m.
D.A	Rs.20,000 p.m. (50% enters)
Other taxable allowances	Rs.12000 p.m.

Employee and employer both are required to contribute @12% of the employees pension scheme. Mr. Raja's other eligible savings like provident fund, L.I.C. contribution etc. are □ 96,000 p.a, During the year Mr. raja contributed an additional amount of □ 60,000 in NPS

Calculate Mr. Raja's income and deduction u/s 80C, 80CCD(1), 80CCD(1B) and 80 CCD(2).

4. Mr. A is employed at Hyderabad at a basic salary of □ 25,000 p.m. and he is also getting following allowances : □

i	Dearness Allowances	2,000 p.m.
ii	Lunch Allowances	1,000 p.m.
iii	Servant Allowances (He is paying □ 1,200 p.m. to a servant)	1,000 p.m.
iv	Transport Allowances	2,000 p.m.
v	Education Allowances @ 200 p.m. per child for Three children	
vi	Hotel allowances to one child	500 p.m.
vii	Conveyance Allowances	800 p.m.
viii	Overtime Allowances	2,000 p.m.
ix	Officiating Allowances	2,000 p.m.
x	Cash allowances	1,200 p.m.
xi	Entertainment Allowances	2,000 p.m.
xii	Medical Allowances	800 p.m.
		□
xiii	City Compensatory Allowances	600 p.m.
xiv	House Rent Allowances	5,000 p.m.

He is having a family house at the place of his posting but he is living in a rented house and is paying a rent of □ 7,000 p.m. Find out his Gross salary.

5. Mr. A gets salary of □ 40,000 p.m. and is provided with rent free unfurnished accommodation at Ludhiana (population 20 lakhs as per latest census) whose fair rental value is □ 20,000 during the year. House was provided to him with effect from 1-7-2017. His salary is due on 1^{st} day of day of every month. Calculate the value of rent-free accommodation and gross salary.

6. Mr. A gets a salary of □ 33,000 p.m. and he has been provided with rent-free furnished accommodation at karnal [Population 7.5 lakhs]. The fair rental value of the unfurnished house is □ 60,000 p.a. He gets D.A. @ 40% of salary which is given as per terms of employment. He gets education allowance of □ 500 p.m. for education of his son. The cost of furnishing of the house is □ 2,30,000. The employee has been provided with hired

air conditioner for five months of the house is charges of □ 1,000 p.m. are paid by the employer

(UNIT III) K3

7. MRV of residential house is □24,0000 and actual rent □ 2,000 p.m.during the previous year2017-18 house was vacant for two months. the municipal taxes are @10% of MRV. During the year owner paid □30,000 as arrears of municipal taxes. Interest on the loan taken for the construction of the house payable to his employer is □16,000. Compute income from house property.

8. Mr, B owns a house property at cochin. It consists of 3 independent units and information about the property is given below:

Unit 1: own house
Unit 2: let out
Unit 3: own house

MRV	1,20,000 p.a.
FRV	1,32,000 p.a.
Standard rent	1,08,000 p.a.
Rent	3,000 p.a.
Unrealised rent	for 3 months
Repairs	10,000
Insurance	2000
Interest on money borrowed for the Construction of property	96,000
Municipal taxes	14,400
Date of completion	1-4-2012

9. Mr. P is the owner of a house property in Kanpur. It has been let out for ₹90,000. The tax payable by the owner comes to ₹84,000 on municipal valuation of ₹84,000 but the land lord has taken an agreement from the tenant would pay tax direct to municipality. The land lord, however, bears the following expenses on tenant’s amenities:

Water charges (as per agreement)	1,000
Lift maintenance	1,000
Salary of gardener	1,200
Lighting of stairs	800
The landlord claims the following deductions:	
Repairs	30,000
Land revenue	1,000
Collection charges	2,000

Legal charges incurred on purchase of land on which house property is situated ₹ 24,000.

Compute the taxable income from house property.

10. A house was completed on April 1,2017 and following information is available about this house:

	₹
Municipal value of the house	30,000 p.a.
Fair rental value of the house	32,000 p.a.
Actual rent	4000 p.a.
Municipal taxes	6000 p.a.

Let out for the period 1-4-2017 to 31-12-2017 and self occupied from 1-1-2018 onwards.

Fire insurance premium	3600
Land revenue	6000

Interest on loan for the period

(a) 1-4-2014 to 31-3-2017 45,000

(b) 1-4-2017 to 31-3-2017 15,000

(c) Calculate income from house property for the previous year ending on 31-3-2018.

11. From the particulars given below compute income from house property which consists of two independent units having 1/3rd and 2/3rd area:

Date of completion	1-11-2012
Municipal rental value	□96,000
Fair rental value	□84,000
Self-occupied	2/3 portion
Let-out	1/3 portion from 1-4-2017 to 31-8-2017@□7,200 p.m.
Municipal taxes	□ 6,000 p.a.
Fire insurance premium	□ 2,000 p.a.
Ground rent	□ 4,000 p.a.
Interest on loan	□ 7,500 p.a.

12. Mr. Gopal is the owner of a house which consists of 3 independent units. Ground floor is also which is qual to 40% is self occupied and 1st floor is also equal to 40% and is let-out. Second floor which is equal to 20% is also let out.

Other information regarding the house are as follows :

Fair rental value	90,000p.a.
Municipal valuation	1,00,000p.a.
Standard rent	80,000p.a.
Municipal taxes	10% of MRV
Repairs expenses	10,000p.a.
Ground rent	5,000p.a.
Actual rent received:	
First floor unit	5,000 p.m.
Second floor unit	2,000 p.m.

First floor unit remained vacant for 2 months. Mr. Gopal started the construction of the house n 2014. He borrowed ₹5 lac @ 14% on 1-7-2014 for the completion of the house and the house was finally completed on 15th July, 2016. Mr. Patnaik returned loan of ₹1 lac on 31st march,2017.

Determine Mr. Gopal's house property income for the A/Y 2018-19.

UNIT IV

13 . categorize expressly admissible deductions under sec 30-36 (k3)

UNIT V

14 . Mr. X purchased shares of various companies worth ₹ 1,40,000 during 2011-2012 [C.I.I. =184]. On 1-11-2015 [C.I.I. =254] he became dealer in shares and securities and converted his shares into stock in trade. The F.M.V. on the date of conversion was ₹ 3,00,000. These shares were sold on 5-2-2018
[C.I.I. =272] at ₹ 4,00,000. Compute his capital gain and business profit.

15. Mr. X owns a residential house at Bangalore. From the following informations, Compute the amount of capital gain.

	₹
Cost of Construction (during 2004-05)	6,00,000
Cost of Additions and improvements (during 2007-08)	2,40,000
Sale consideration (Sale made on 10.10.2017)	29,00,000
Expenses on transfer	20,000
Cost of new house purchase in Hyderabad (on 15.1.2018) (House is half finished)	5,00,000
Amount deposited in capital gain deposit scheme in SBI on 25-7-2018	3,00,000

An amount of ₹ 2,00,000 withdrawn from capital gain scheme on

12th May 2020 and utilized for the completion of the house.

Cost inflation index for 2004-05 is 113, for 2007-08 is 129 and for 2017-18 is 272.

16. Mr. x owns 2 acres of agricultural land in an urban of Ludhiana which he sold on 30th Nov @ ₹ 50 lacs per acre. Other particulars are :

Cost of 2 acres of land purchase in 1997 ₹ 6 lacs.

F.M.V. as on 1-4-2001 ₹ 25.50 lacs.

Selling expenses ₹ 1 lac.

He owns one residential house on 30.11.2017.

Date of filling of return of income is 31st July, 2018.

Mr. X purchased 10 acres of agricultural land in a rural area for ₹ 10 lacs on 10th June, 2018.

Mr. X purchased a piece of plot to construct a residential building for ₹ 6 lacs at Ludhiana.

He deposits ₹ 15 lacs in a Schedule bank in a Capital gain deposit Account Scheme on 30th July 2018 to construct residential house.

Account invested in Bonds of National Highway Authority of India ₹ 10 lacs on 31st March 2018.

Assume that he actually withdraws ₹ 12 lacs from the deposits account to complete his residential house.

Compute the taxable capital gain from particulars given below :

Net consideration of a residential house ₹ 10,00,000 (2-6-2017) [C.I.I. : 272]

Cost of acquisition of this house ₹ 2,10,000 (1-5-2007) [C.I.I. : 129]

(iii) New House acquired on 1-9-2017 for ₹ 2,00,000

17. (i) sale price of jewellery in October 2017 (cii: 272) RS 1500000

(ii) cost of acquisition in 2007-2008 (CII: 129) RS 2,40,000

(iii) amount invested in construction of a new house upto 31-07-2018 Rs.6,00,000

(iv) amount deposited in capital gain deposit scheme for completing the construction of house (deposited on 27-6-2018) 6,00,000

Compute the taxable capital gain assuming that he does not own any other house. Compute deemed capital gain if he is able to invest only RS 5,00,000 out of amount deposited in capital gain deposit scheme.

18. From the following particulars of Mr. Amarpreet Thind, compute the amount of taxable gifts chargeable as "Income under the head other sources"

He received a cheque of □ 1,00,000 as a gift from his grandfather on 15 May 2017.

He received □ 21,000 from his friend from Canada as a gift on 31 May 2017.

He received □ 5,00,000 under a will from his grandmother on 30 June 2017.

He received □ 50,000 from his father's friend on 30 June 2017.

He received □ 75,000 as gift from his uncle on 30 September 2017 on his birthday.

He received □ 20,000 as gift from his employer on 1 October 2017.

He received a gift of □ 51,000 from his father's brother on 30 November 2017.

19. Mr. Ankit received the following gifts during P.Y. 2017-18 :

He received a gift in cash of □ 20,000 from his uncle on 30-6-2017.

He received a cheque of □ 30,000 as a gift from his brother on 10-11-2017

He received a gift of □ 21,000 on his wedding from Mr. X on 01-12-2017

He received □ 25,000 as gift from his non-resident friend Mr. Y 30-12-2017

He received a gift of □ 51,000 from his bother-in-law on 31-1-2018

He received □ 5,000 from Mr. Z, his resident friend on 15-2-2018

Calculate the amount of taxable gifts chargeable under the head 'other sources'.

20. From the following particulars of gift received by Mr, Gueman, compute the amount of taxable gifts chargeable under the head other sources for P.Y. 2017-18 :

He received a plot worth □ 6,00,000 as a gifts from his grandfather under a will (stamp duty value is determined at □3,00,000) on the 25th may 2017.

He received a house as a gift on 15th June 2017 from his uncle, on his birthday worth □15,00,000(stamp duty value)

He received a plot from his friend as a gift whose F.M.V as on 30 September 2017 was 75,000 and stamp duty value was □40,000.

He purchased a house from Mr. R for 2,50,000 on 1 October 2017 and stamp duty value of the house was □4,00,000.

He received a house property as a gift from his friend Mr. A as his stock in trade worth □15,00,000, whose stamp duty value is □8,00,000.

Gift of wrist watch from a friend and the cost o the gift is □60,000.

On his birthday, his partnership firm gave gift of car worth □5 lacs.

21. Mr. X received the following gifts during the previous year 2017-2018. Compute his taxable income under the other sources :

Received □1 lac as a gift from Y (friend) on 1-6-2017;

Received a microwave costing □ 14,500 as a gift from another friend Z.

Received □ 50,000 as a gift from his another friend Mr. Amrit on 1-11-2017;

Received □ 30,000 as a gift from his sister on 1-1-2018.

Received □ 40,000 as gift from his friend Mr. D on 1-12-2017.

Received □ 1,60,000 ass gist from his non resident friend on 1-2-2018.

On April 13,2017 , he received a plot worth □10 lacs from his nani's sister under a will.

On June 21,2017, he purchased a house from father-in-law of his brother for □5 lacs. The stamp duty value of the house is □7 lacs.

22. Mr. X has the following income during the year ending 31-3-2018; □

Dividend declare by M. Co. on 31-3-2017 [Indian Co.]	6,000
Dividend declare by Z Co. on 31-3-2018 [Indian co.]	9,000
Interim dividend received on 1-5-2017 [Indian Co.]	3,000

He won gold worth □ 10,00,000 from Panjab State lottery

During march 2018 he earned 1,00,000 as prize money on horse races. These horses are owned by him and expenditure incurred on maintenance of these horses amounted to 1,60,000.

Compute income from other sources for the assessment year 2018-19.

18 UBM 305TAXATION

UNIT 1 K4 QUESTIONS

1. Classify the residential status of an individual.(k4)

2. Examine any fifteen exempted incomes. (k4)

UNIT 1I K4

3. Mr.Jitender is in receipt of annual salary of ₹ 2,00,000. He is provided with a furnished accommodation at Gurgaon [population is 11 lakhs] for which his employer pays a rent of ₹ 4,000 p.m. and deducts ₹ 1,000 p.m. from employee's salary. The cost of furnishing of the residence amount to ₹ 30,000. Calculate the valve of perquisite if house is occupied for 9 months only.
4. Mr.Jai, a manager with a company was transferred to Bangalore to where he stayed in a hotel free of rent. His salary particulars are:

Salary (p.m.)	25,000
D.A. (p.m.)	5,000
Conveyance allowance (p.m.)	1,000
Actual expenditure incurred for employment (p.m.)	600
City compensatory allowances (p.m.)	1000

Calculate the value of rent free accommodation if he stayed in a hotel for

a) 14 days and actual bill is ₹ 6,600
b) 38 days and actual bill is ₹ 30,950

5. From the particulars given below compute his gross salary :

Salary	4,48,000
Bonus	20,000
Free gas, electricity, water etc. (actual bills paid by the company)	16,000
Furnished flat provided to the employee at Kanpur [Population above 25 lakhs] for which	1,20,000

actual rent paid by the company	
The employee pays □ 4,000 p.m. as rent to the company.	1,20,000
Furniture at cost (including television, fridge and air-conditioner)	1,20,000

6. Mr. das of Kolkata submits the following particulars of his let out residential house rent received for house.

Rent received for house as well as for various amenities provided to the tenant.

For house	6,000 p.m.
For lift maintenance	500 p.m.
For security charges	500 p.m.
For electricity & water	1000 p.m.
Municipal valuation	70,000 p.a.
Fair Rental value	56,000 p.a.
Standard Rent	60,000 p.a.
Municipal Taxes (50% to be paid by tenant -10% of MRV)	5,000
Insurance premium paid by Mr. Das	1,000
Annual Charge imposed by court in favour of his mother	10,000 p.a.
Interest on loan taken in 2014 for the renovation of the house	20,000 p.a.

7. In 2012-13 a tenant default in the payment of the tune of the tune of □ 36,000 but Mr. Das could claim a deduction of □ 26,000 only in the previous year 2014-15. After a long litigation Mr. Das could recover from the tenant only □ 20,000 during the previous year 2017-18.

Mr. Das spent □ 16,000 only to provide the above mentioned amenities to the tenant.

Compute Mr.Das's income from house property and any other income for the assessment year 2018-19.

UNIT III K4

8. Mr. X has three house properties which he use for his residential purpose□

Municipal	40,000	60,000	80,000
F.R.V	50,000	70,000	65,000
Standard Rent	60,000	84,000	72,000
Municipal Taxes	4,000	6,000	9,000
Expenses on Repairs	2,000	4,000	3,000
Insurance Premium	1,000	4,000	3,000
Year in which loan taken for purchase of the house	1998	2002	2007
Interest on loan paid during the previous year 2017-18	35,000	40,000	25,000

Find out income from house property as a tax expert.

9. Calculated Gross Annual Value from following information :

House-A **House-B**

MRV	80,000	80,000
FRV	1,00,000	1,00,000
Standard Rent	70,000	1,20,000
Actual Rent	1,20,000	90,000

It is assumed that both the houses were we let out throughout the year and there was also no unrealized rent.

10. Calculated the ARV from the particulars given below :

Actual Rent □ 7,000 p.m.MRV □ 60,000 p.a.

FRV □ 66,000 p.a.Standard Rent □ 69,000 p.a.

During previous year 2017-18 assessee could not realise for two months.

11. Compute ARV from particulars given below:

MRV □ 60,000 p.a.FRV □ 66,000 p.a.

Standard rent □ 63,000 p.a. Real rent □6000 p.a.

Date of completion 31.5.2017 date of letting 1-8-2017

12. From the particulars given below calculate net annual value for the previous year ending on 31-3-2018.

		□
A.	Municipal rental value (date of completion is 1-7-2016)	60,000 p.a.
	Actual rent received	72,000 p.a.
	Taxes levied by local authority and paid by owner	
	a) House tax	6000p.a.
	b) Sanitation fees	1,000 p.a.
B.	date of completion 1-6-2017	
	Rent received @4000 p.m.	40,000
	Municipal rental value	36,000 p.a.
	Municipal taxes are 10% of MRV	
	He paid 50% of taxes during the year 2017-2018.	

UNIT IV

13. Examine charging provision under section 28 (k4)

14. Assume Deemed profits. (k4)

UNIT V

15. Mr.Ghosh sold a house on 1-9-2017 for □15,00,000.. this house wasinherited by him during 2001-02 from his father who had constructed it in 1991-92 for □50,000. Mr.Ghoshas spent □50,000on renovation of the house in 2006-07. Fair market value of the house as on 1-4-2001 was □4,50,000.

    This house was under negotiations for sale in May,2010 and he received □20,000 as advance money. The contract could not materialise and the advance money was forfeited. Compute the amount of capital gain assuming that he does not qualify for any exemption.

    {C,I,I FOR 2001-2002 :100, 2006-07: 167&2017-18 :272}

16. Find out the indexed cost in following case for the assessment year 2018-19:

Cost of plot acquired in 2006-07 for	80,000
Cost of house purchased in 1998-99 for	90,000
Fair market value on 1-4-2001 being	1,50,000
Cost of house purchased in 1996-97 for 2,00,000 but F.M.V. on 1-4-2001	4,00,000

[C.I.I. for 2001-02 = 100, for 2006-07 = 122, and 2017-18 = 272]

17. Assessee A is the investor in shares and held 1,000 shares of □ 10 each in A company. On 31st March, 2012 he was allotted 1,000 Bonus Shares of the face value of □ 10 each. The cost of acquisition of original shares was □ 12 each. During the previous year ending 31st March, 2018 assessee sold 500 shares out of his Bonus Shares @ □ 14 per share. Compute the capital gain for the assessment year 2018-19 if cost inflation index for 2011-12 is 184 and 2017-18 is 272.

18. Mr. Raj Singh Parmar sold a plot of land at Jaipur on 1-6-2017 [C.I.I. = 272] for □ 14,40,000. He paid □ 40,000 as selling expenses. The plot was received by him on the death of his father on 15-3-2005 (C.I.I. = 113). His father had acquired it on 1-4-1990 for □ 1,00,000 and its F.M.V. on 1-4-2001 was □ 3,10,000.

On 1-10-2017 he invested □ 3,00,000 in bonds issued by Rural Electrification Corporation Limited notified u/s 54EC and 2,00,000 on 1-3-2018 in Bonds of National Highway Authority of India.

Compute his taxable capital gain.

19. Mr. H submits the following particulars about sale of assets during the year 2017-18.

	Jewellery	**Plot**	**Gold**
Sale Price	5,00,000	20,24,000	2,40,000
Expenses on sale	Nil	24,000	Nil
Cost of acquisition	1,50,000	7,00,000	80,000

Year of acquisition	2007-08	2004-05	2009-10
C.I.I.	129	113	148

He has purchased a house for □ 12,00,000 on 1-3-2018. Calculate the amount of taxable capital gain if C.I.I. for 2017-18 is 272.

20. R. Lakshmi has the following investments and incomes in the previous year ended 31-3-2018. Calculate her income from other sources.

Dividend from an Indian company 7,800

Examinershiprenumeration 2,000

Royalty by publication of a book 48,000

Winnings from lottery (net) [received 0n 1-3-2018] 35,000

□ 40,000, 10% debentures of the company (unlisted)

□40,000, 12% Panjab govt. securities

□ 50,000, 13% less tax commercial securities (unlisted)

□ 40,000, 10% tax free debentures of the company (unlisted)

□ 5,400, as interest on tax-free debentures (listed)[received on 1-3-2018]

In Oct 2017 she sold the above □ 40,000, 10% (tax free) debentures of a company for □45,000. In Dec 2017 she inherited □ 63,000,10%(tax free) debentures (listed) of XY Co. ltd., from her father. Interest on above securities falls due on dec 31st of every year.

She climbs the following deductions

1.collection charges for interest and dividend @ 2% of net amount realised and purchase of lottery tickets □ 2,000.

21 .Mr. R. held the following investments:

a) Rs 90,000 10% (tax free) debentures of a listed company (rate of T.D.S 10%)

b) RS 1,00,000 12% punjab govt. loan.

Compute his income from interest on securities for the year ending 31-3-2018.

22 .From the following particulars for the year ended 31 stmarch 2018 compute the income under the head income from other sources.

Dividends RS 25,200

Dividends RS 12,000

Collection charges in respect of dividends @ 1% if dividend

Rent from letting out of a building along with plant and machinery RS 30,000

Depreciation on buildings RS 4,000

Insurance on buildings RS 1,600

Office expenses relating to buildings RS 1,600

Repairs, rates etc. 1,600

23 .Following are the incomes of sriamar for the financial year 2017-18.compute his taxable income under the head other sources of he is resident ,NOR, or non resident:

a) interest on savings bank deposit a/c with union bank Delhi RS 1,000

b) income from agriculture if Africa invested in Pakistan RS 40,000

c) dividends received in USA from an American company part of which RS4,000 remitted to India.

d) family pension received in Kenya for services rendered in India. RS 54,000

24. From the following information compute the income from other sources for the assessment year 2018-19.

a) card games loss RS 12,000

b) from the activity of owning and maintaining horses for race purpose

i) loss at Bombay RS 40,000

ii) profit at Bangalore RS 20,000

c)dividend (gross) from Indian companies RS 6,000

d) betting on horses races RS 4,000