

**2014**

**M. Com.**

**3rd Semester Examination**

**CORPORATE DIRECT TAXES**

**PAPER — COM-302**

*Full Marks : 50*

*Time : 2 Hours*

*The figures in the right-hand margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

*Illustrate the answers wherever necessary.*

**Unit—I**

**[Marks : 20]**

1. Answer any *two* of the following : 5×2
- (a) How would you determine the residential status of a company ?
  - (b) Tax avoidance and tax evasion are synonymous. Comment on the statement.
  - (c) The following information is provided by Mr. Akash Roy for the previous year 1013-14:

*(Turn Over)*

Particulars	Amt. (Rs.)
Contribution towards PPF	1,000
Investment in non-specified government infrastructure bonds	15,000
Payment towards the principal amount of home loan	25,000
Payment towards the interest amount of home loan	8,000
Payment towards the interest amount of a four-wheeler loan	12,000
Life insurance premium on a policy covering parents	4,500
Brokerage towards purchase of a house	17,500
5 year fixed deposit of a chit fund	25,000
Purchased of bonds issued by NABARD	10,000
You are required to compute the deduction under section 80C of the Income Tax Act.	

- (d) Determine the gross total income and tax liability of Mrs. Piyali Sen for the assessment year 2014-15 on the basis of the given particular :

Sl.No.	Particulars	Amount
1	Income from salaries	6,50,000
2	Loss from house property	25,000
	Loss from business: Speculative	12,000
3	Non-speculative	2,700
4	Long-term capital gain	12,000
5	Short-term capital loss	32,000
6	Interest on savings account	2,500
7	Lottery winnings	28,000

It is also mentioned that there is an unabsorbed loss relating to house-property pertaining to the assessment year 2008-09 of Rs. 14,400. There is no other deduction available under chapter VI.

2. Answer any *one* of the following : 10×1

- (a) Mr. Kanchan Mukherjee, d aged 58 years is employed in a private firm on a monthly salary of Rs. 69,000. He furnishes the following details about his investments, expenses and contributions for the financial year 2013-14.

Sl.No.	Particulars	Amount (Rs.)
1	Income front salaries	45,000
2	Short-term capital gain on sale of a property	1,50,000
3	Unit-linked insurance plan premium on life of married daughter	22,500
4	Stamp duty on purchase of a house	30,000
5	Contribution towards a pension scheme of LIC	30,000
	Medical insurance premium of :	
	Self	19,000
	Wife	16,000
6	Brother	22,000
	Father	25,000
7	Maintenance expenses on handicapped sister with 65% disability	40,000

Sl.No.	Particulars	Amount (Rs.)
8	Medical treatment of his mother who is a US citizen for a specified disease	55,000
9	Fixed deposit interest	16,900
10	Interest on savings account	12,500
11	Income from lottery	5,000

*Additional information :*

1. The insurance company reimbursed Rs. 20,000 on account of the medical treatment.

You are required to determine the deduction under different sections of Chapter VI and the tax liability of Mr. Mukherjee for the assessment year 2014-15. Give detailed calculations and workings whenever necessary. 10.

- (b) R Ltd. is a closely held company engaged in the manufacture of insecticides and fertilizers. The value of plant and machinery owned by the company is Rs. 55 lakhs. Its profit and loss account for the year ended 31.3.2014 is under:

	Rs.	Rs.
Domesltic Sales	22,23,900	
Export Sales	5,76,100	
Other receipts	2,00,000	30,00,000
<i>Less : Expenses :</i>		
Depreciation	4,16,000	
Salary & wages	1,34,500	
Entertainment Expenses	10,000	

(Contd.,)

	Rs.	Rs.
Travelling Expenses	36,000	
Miscellaneous Expenses	5,000	
Income Tax	3,50,000	
Wealth Tax	8,000	
Outstanding Customs Duty	17,500	
Provision for uncertain Liabilities	70,000	
Proposed dividend	60,000	
Loss of subsidiary company	30,000	
Consultation fees paid to tax consultant	21,000	
Salary and perquisites of managing director	1,80,000	
Excise duty of 2010-11	75,500	
	<u>14,13,500</u>	
Net profit (NP)		<u><u>15,86,500</u></u>

The assessee claims the following as deductions

- (a) Excise duty pertaining to 2010-11 was paid during 2013-14 Rs. 75,500.  
 (b) Depreciation U/S 32 i.e. Rs. 5,36,000

The following further particulars are furnished

	<i>For tax Purposes</i>	<i>For accounting Purposes</i>
Brought forward	11,80,000	9,10,000
Loss of 2011-12		
Unabsorbed Depreciation	Nil	2,45,000

Calculate the tax liability of the company for the A.Y. 2014-15.

**Unit—II****[Marks : 20]**

3. Answer any *two* of the following : 5×2

- (a) Write a short note on Best Judgement Assessment.
- (b) Explain the provisions relating to the return of loss & revised return.
- (c) The estimated gross total income of X Co. Ltd. is Rs.30,00,000 which includes Rs. 10,00,000 on account of long-term capital gain earned on 16/9/2013. Compute the advance tax payable by the company assessing Rs. 2,80,000 has been deducted at source during the financial year 2013-14.
- (d) The returned income of an assessee for the assessment year 2014-15 is Rs. 4,00,000. The advance tax has been deposited as under —

	Rs.
14-09-2013	20,000
12-12-2013	22,000
15-03-2014	32,000
20-03-2014	10,000

Calculate the interest payable U/S 234C if the assessee in an Indian company.

4. Answer any *one* of the following : 10×1

- (a) (i) Mr. Kamlesh Kumar (aged 48 years) filed his return of income on 10th November, 2014 for the assessment year 2014-15. On that date, he deposited 13,120/- as self-assessment tax, the details of which is given below :

	Rs.
Tax on declared income of Rs. 4,90,000	28,700
Less : Advance tax paid during the year	
On 10-09-2013	2,500
On 1-12-2013	3,200
On 16-03-2014	5,000
Less : Tax Deducted at source	8,000
Add : Interest	
U/S 234A	920
U/S 234B	1,300
U/S 234C (correctly computed)	900
Self Assessment Tax	13,120

You are required to verify and comment on the correctness of all the calculation(s) made by the assessee.

- (ii) Write a short note on belated return. What is the consequence of Filing such return? 6+(3+1)

- (b) (i) Mrs. Amita Dey, aged 33 years is employed in ABC Ltd. at a monthly salary of Rs. 35,000 during the financial year 2013-14. She gives the following details about her income and other particulars to the finance department.

	Rs.
Income from house property	1,20,000
Long-term capital gain	15,000
TDS on interest	8,000
Contribution towards Public Provident Fund	58,000
Contribution towards unrecognised Provident Fund	15,000

You are required to determine the tax deduction at source from her salaries.

- (ii) Write a short note on tax deduction at source from lottery winnings and interest income.

4+(3+3)

**[Internal Assessment : 10 Marks]**

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