Programme: DFM/PGDFM

Examination: April 2018
Subject: Corporate Taxation – Direct and Indirect

Date: 22.4.2018

Semester: II
Course: New
Marks: 70
Time: 11.00 a.m. to 2.00 p.m.

Instructions:
1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

Q.1) Attempt any 2 out of 4  
(Marks: 2X5=10)
   (a) Explain the Income Concept as per Section 2(45)
   (b) How are companies classified for Income Tax purpose? What is Company?
   (c) What are the provisions for determining residential status of an individual Assessee?
   (d) Who is a Person in Income Tax Act sec 2(31)

Q.2) Write Short Notes on any 2 out of 5  
(Marks: 2X5=10)
   (a) Explain the concept of Assessment Year u/s 2(9)
   (b) What is Agricultural Income u/s 2(1A)
   (c) Which are the main sources of Gross Total Income u/s 14
   (d) Specify 2-3 examples of Value of Benefits to Employee for Transfer of Movable Assets
   (e) Explain Medical Facilities provided to Employee as part of CTC w.r.t. Proviso Sec 17(2).

Q.3) Attempt any 3 out of 5  
(Marks: 3X10=30)
   (a) Explain the Travel Concession w.r.t. LTA for a Salaried Employee u/s 10(5)
   (b) Describe about HRA u/s 10 (13A)
   (c) Explain the concept of Composite Rent
   (d) Explain the concept of ‘Loss from House Property’
   (e) Describe about the concept of ‘Block of Assets’ in income Tax
a) R is employed in a public company and is paid a sum of Rs. 7,00,000 on voluntary retirement from service. The normal age of retirement in the company is 60 years and R who was 46 years at the time of retirement had completed 22 years of service. His monthly salary at the time of retirement had completed 22 years of service. His monthly salary at the time of retirement was as follows:

- Basic pay: Rs. 10,000
- Dearness Allowance (40% includible for pension): Rs. 7,000
- HRA: Rs. 4,000
- Conveyance allowance: Rs. 1,000

What is the amount of compensation taxable under the Income Tax Act?

b) Find the Gross Annual Value in the case of the following properties:

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal value</td>
<td>52,000</td>
<td>1.00,000</td>
<td>60,000</td>
<td>75,000</td>
<td>1.80,000</td>
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<tr>
<td>Fair rent</td>
<td>60,000</td>
<td>1.02,000</td>
<td>68,000</td>
<td>79,000</td>
<td>1.85,000</td>
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<tr>
<td>Standard rent</td>
<td>NA</td>
<td>80,000</td>
<td>70,000</td>
<td>60,000</td>
<td>1.75,000</td>
</tr>
<tr>
<td>Actual rent receivable</td>
<td>55,000</td>
<td>95,000</td>
<td>72,000</td>
<td>72,000</td>
<td>1.68,000</td>
</tr>
<tr>
<td>Unrealized rent</td>
<td>-</td>
<td>-</td>
<td>5,000</td>
<td>-</td>
<td>42,000</td>
</tr>
<tr>
<td>Period of vacancy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8 months</td>
<td>1 month</td>
</tr>
</tbody>
</table>

Rent Control Act is Not Applicable.