

ST. JOSEPH'S COLLEGE (AUTONOMOUS) BENGALURU-27
MID SEMESTER EXAMINATION- AUGUST 2019
B.COM V SEMESTER
BC5216/ BPS5216 : INCOME TAX I

TIME: 1 Hour

MAX. MARKS: 30 Marks

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2=10)

- 1) What are the conditions for agricultural income?
- 2) Give the additional conditions u/s 6(6) for residential status
- 3) Distinguish between capital and revenue expenditure
- 4) List out some exempted income under section 10.
- 5) How is pension treated in Income tax?
- 6) Explain two canons of taxation.
- 7) Expand CIT and CBDT.

SECTION B

Answer any TWO of the following questions. Each question carries five marks. (2x5=10)

- 8) Mr. Clinton an American came to India for the first time on 1st January 2015. He stayed here continuously for 2 years. He went back to New York on 1.1.18. Again, he came to India on 3.2.19 on a two-year assignment with a multinational company in India. Determine his residential status for the previous year 2018-19.
- 9) (a) Mrs. Bharathi (resident), an employee of RIL Ltd. retires from her service on 15th January 2019 after serving for 36 years and 7 months. She receives Rs.970000 as Gratuity under The Gratuity Act 1972. At the time of retirement her basic salary was Rs.23000 per month and D.A. 20% of basic (50% forms part of salary for retirement benefits). Compute taxable Gratuity for the Assessment Year 2019-20.

(b) Will your answer be different if Mrs. Bharathi is a government employee?
- 10) Discuss with reasons whether the following are agricultural or non-agricultural income:
 - a) Income from sale of trees of spontaneous growth.
 - b) Income from agricultural activities in Bangladesh.
 - c) Income from sale of earth for brick-making.
 - d) Interest on loan given to a farmer
 - e) Compensation received for acquisition of agricultural land for military purpose.

SECTION C

Answer the following compulsory question. The question carries ten marks. (1x10=10)

- 11) From the following particulars of Mr. Manjunath compute his Gross Total Income for the A.Y.2019-20 if his residential status is:
 - a) Ordinary Resident

- b) Not ordinary resident and
- c) Non- resident

- 1) Income from business in Chennai managed from Srilanka Rs.25000
- 2) Income from house property in Mysore Rs.100000
- 3) Income from salary in Japan Rs.75000
- 4) Income from business in Kuwait controlled from Mumbai Rs.65000 (Rs.25000 received in India)
- 5) Income from agriculture in Punjab received in Mumbai Rs.30000
- 6) Income from agriculture in Bangladesh remitted to India Rs.10000,
- 7) Interest on German Development bonds (1/3 rd received in India) Rs.51000
- 8) Share of income from HUF- Rs.10,000

***** End of Question Paper *****