



PRESIDENCY UNIVERSITY,
BENGALURU

ROLL NO:

SCHOOL OF LAW

MID TERM EXAMINATION

Odd Semester: 2018-19

Course Code: BCL 201

Course Name: Direct Taxes

Branch & Sem: B.Com.,LL.B.(Hons.), III Sem

Date: 30 October 2018

Time: 2 Hours

Max Marks: 60

Weightage: 30%

Instructions:

- (i) Use of calculator is allowed

Part A

Answer **all** the Questions. **Each** question carries **four** marks. (5x4=20)

1. How is gross total income computed under income tax act?
2. Discuss the treatment of legal income and illegal income under income tax law.
3. What are perquisites? How are they taxed?
4. Discuss the conditions which are required to tax any income under head "income from house property"
5. "Salary is taxed on due or receipt basis- whichever is earlier" Discuss the statement citing some suitable examples

Part B

Answer **all** the Questions. **Each** question carries **five** marks. (4x5=20)

6. Explain briefly the concept of Application and Diversion of income
7. Discuss the residential status of Hindu Undivided family under income tax law
8. Explain the term " Assessee" under income tax act.
9. X, after about 30 Years stay in India, returns to America on January 29, 2015. He returns to India in July 1, 2017 to join an American company as its overseas branch manager. Determine his residential status for the Assessment Year 2018-19.

Part C

Answer **all** the Questions. **Each** question carries **ten** marks

(2x10=20)

10. Mr. Vijay submits the following information for the previous year 2017-18. All the figures are on annual basis. Both the houses are let out.

House Property	House I (₹)	House II (₹)
Municipal valuation	35000	80000
Rent received	38000	68000
Standard Rent	40000	40000
Municipal taxes paid by tenant	3000	4000
Repairs paid by tenant	500	18000
Land revenue paid by owner	2000	16000
Insurance premium paid by owner	500	2000
Interest on borrowed capital for payment of municipal tax of house property	200	400
Nature of occupation	Let out for Business	Let out for Residence

Compute income from house property of Mr. Vijay for the previous year 2017-18

11. Mr. Rajan working in Xye Limited Mumbai, furnishes you the following particulars of his salary for the previous year 2017-18

Particulars	Amount (₹)
Basic salary p.m.	20000
Dearness allowance 20% of basic salary	
City compensatory allowance p.m.	5000
Free gift of wrist watch	4000
Uniform allowance p.m. (Fully used for official purposes)	3000
Education allowance for three children p.m. per child	400
Arrears of salary of previous year 2014-15	75000
Advance salary of previous year 2018-19	20000
Puja Bonus	30000
Cash prize for excellent performance	20000
Unfurnished housing accommodation provided in Mumbai. House is owned by employer.	

Compute his income under the head salary for the previous year 2017-18