

INTERMEDIATE EXAMINATION

December 2014

I-P7(ADT)

Syllabus 2008

Applied Direct Taxation

Time Allowed: 3 Hours

Full Marks: 100

Wherever required, the candidate may make suitable assumptions and state them clearly in the answers.

Working notes should form part of the relevant answers.

All questions relate to the assessment year 2014-15 unless stated otherwise.

Answer question No.1 which is compulsory and any five from the rest.

1. (a) Choose the most appropriate alternative: 1×12=12
- (i) In the case of foreign company, surcharge at 5% is payable on the income-tax where the total income exceeds
(A) ₹ 100 lakhs
(B) ₹ 200 lakhs
(C) ₹ 500 lakhs
(D) ₹ 1000 lakhs
- (ii) Agricultural income is aggregated for income-tax rate purposes, only when it exceeds
(A) ₹ 10,000
(B) ₹ 5,000
(C) ₹ 25,000
(D) ₹ 50,000
- (iii) Investment allowance under section 32AC of the Income-tax Act, 1961, is applicable where the investment in new plant and machinery exceeds
(A) ₹ 25 crores
(B) ₹ 50 crores
(C) ₹ 100 crores
(D) ₹ 40 crores
- (iv) The quantum of deduction under section 80JJAA of the Income-tax Act, 1961, in respect of additional wages paid to new regular workmen is
(A) 30% of additional wages
(B) 20% of additional wages
(C) 10% of additional wages
(D) 100% of additional wages
- (v) Basic rate of tax applicable to domestic company on distributed income in the case of buyback of shares not listed in stock exchange is
(A) 15% on the distributed income
(B) 20% on the distributed income
(C) 30% on the distributed income
(D) Nil

- (vi) Penalty leviable per day for failure to furnish annual information return (AIR) under section 271FA of the Income-tax Act, 1961 is
- ₹ 10
 - ₹ 50
 - ₹ 100
 - ₹ 500
- (vii) Return of income filed without payment of self-assessment income-tax will be treated as
- Delayed return
 - Non-est* return
 - Belated return
 - Defective return
- (viii) The status of limited liability partnership constituted under the Limited Liability Partnership Act, 2008 for the purpose of income-tax is
- AOP
 - Partnership firm
 - Trust
 - Domestic company
- (ix) Children education allowance received by a salaried employee is exempt upto a maximum of two children of
- ₹ 100 per month per child
 - ₹ 300 per month per child
 - ₹ 500 per month per child
 - Fully exempt without limit
- (x) In order to avail exemption u/s 54EC of the Income-tax Act, 1961, the time limit for making investment in specified bonds from the date of transfer of long-term capital asset is
- 12 months
 - 36 months
 - 60 months
 - 6 months
- (xi) On a book profit of ₹ 110 lakhs for a domestic company, the tax payable under section 115JB of the Income-tax Act, 1961 is
- 15% + cess @ 3% = ₹ 16.995 lakhs
 - 18% + cess @ 3% = ₹ 20.394 lakhs
 - 18.5% + surcharge @ 5% + cess @ 3% = ₹ 22.00852 lakhs
 - 18.5% + surcharge @ 2.5% + cess @ 3% = ₹ 21.48451 lakhs
- (xii) Tax deduction at source would apply where the consideration for the acquisition of specified immovable property exceeds
- ₹ 30 lakhs
 - ₹ 5 lakhs
 - ₹ 25 lakhs
 - ₹ 50 lakhs

