

INTERMEDIATE EXAMINATION

June, 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 and the provisions stated relate to Income-tax Act, 1961, unless stated otherwise in the question.

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

1. (a) Choose the most appropriate alternative:

1×13=13

- (i) The basic exemption limit for every individual being resident in India, who is of the age of 80 years or more for the Assessment year 2014-15 is ₹
- (A) 2 lakhs
(B) 2.5 lakhs
(C) 3 lakhs
(D) 5 lakhs
- (ii) Commuted pension received by a State Government employee is exempt upto ₹
- (A) 3 lakhs
(B) 5 lakhs
(C) 10 lakhs
(D) Fully exempt
- (iii) Accommodation provided in a hotel will not be a taxable perquisite, if the period of such accommodation does not exceed
- (A) 7 days
(B) 10 days
(C) 15 days
(D) 30 days
- (iv) Computation of business income as per section 44AF of the Income Tax Act, 1961 would be the following % of turnover:
- (A) 1
(B) 2
(C) 5
(D) 8

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- (v) Interest to a partner by a firm will not be disallowed, if the rate of interest is
- (A) 14%
 - (B) 12%
 - (C) 15%
 - (D) 18%
- (vi) The rate of minimum alternate tax is
- (A) 18.5%
 - (B) 15.5%
 - (C) 18%
 - (D) 12%
- (vii) Due date for filing the return of income of a company (not having any international transaction) is
- (A) 31.7.2014
 - (B) 31.8.2014
 - (C) 30.9.2014
 - (D) 31.10.2014
- (viii) If total income of a partnership firm exceeds ₹ one crore, the following surcharge on income tax is payable:
- (A) 1%
 - (B) 10%
 - (C) 5%
 - (D) 7%
- (ix) The investment made in the long term specified asset by an assessee to claim exemption u/s 54EC from capital gain tax cannot exceed ₹ in lakhs
- (A) 10
 - (B) 15
 - (C) 25
 - (D) 50
- (x) The maximum penalty leviable for failure to get accounts audited or to furnish report u/s 44AB is ₹
- (A) 75,000
 - (B) 1,00,000
 - (C) 1,50,000
 - (D) 3,00,000

- (xi) A house shall not be an asset for the purpose of wealth tax, if it is used for residential purpose and allotted by a company to a director who is in whole time employment having a gross amount salary of less than ₹
- (A) 10 lakhs
(B) 5 lakhs
(C) 7.5 lakhs
(D) 12 lakhs
- (xii) Income of minor child includible in the Income of his/her parent is exempt to the extent such income does not exceed the following amount for each minor child ₹
- (A) 500
(B) 1,000
(C) 1,500
(D) 2,000
- (xiii) A trust shall not be considered as charitable trust when the commercial activities in the previous year exceed ₹
- (A) 10 lakhs
(B) 25 lakhs
(C) 15 lakhs
(D) 30 lakhs

(b) Fill up the blanks:

1×12=12

- (i) No deduction shall be allowed in respect of contributions given by companies to political parties by way of _____ .
- (ii) No deduction of tax at source shall be made where the total amount of consideration for the transfer of an immovable property (other than agricultural land) is less than ₹ _____ .
- (iii) Standard deduction of _____ net lettable value of a property shall be allowed to the assessee.
- (iv) Property income of Registered Trade Union _____ (is not/is) exempt from income-tax.
- (v) Rate of depreciation for block of intangible assets is _____ .
- (vi) Deduction in respect of medical treatment of a senior citizen u/s 80DDB of the Income Tax Act, 1961 is ₹ _____ .
- (vii) There are two schools of Hindu Law, one is Mitakshara and the other is _____ .
- (viii) Interest u/s 234B of the Income Tax Act, 1961 will not apply if an assessee pays more than _____ % of the assessed tax by way of advance tax.

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