

INTERMEDIATE EXAMINATION

December 2013

P-7(DIX)
Syllabus-2012

Direct Taxation

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Wherever necessary, the candidate may make suitable assumption and state the same clearly in the answer.

All the questions relate to the assessment year 2013-14, unless stated otherwise.

Section A

[Question No. 1 is compulsory and answer any four from Q. Nos. 2 to 6]

1. (a) Answer the following sub-divisions briefly in the light of the provisions of the Income-tax Act, 1961: 1×8=8
- (i) Interest on bank term loan paid during financial year 2012-13 was ₹ 1,21,000. Outstanding as on 31.03.2013 was ₹ 28,000. The assessee paid ₹ 15,000 before the "due date" for filing the return of income under section 139(1). Is the amount paid after the end of the year be eligible for deduction?
 - (ii) A Government employee received gratuity of ₹ 16 lakhs upon retirement, in September 2012. How much is taxable?
 - (iii) A nationalized bank gave interest reduction of ₹ 1,70,000 in a cash credit account of a trader relating to earlier years. Is the interest reduction chargeable to income-tax? Said interest had not been paid to the bank.
 - (iv) Is the right of management in an Indian company a capital asset? On relinquishment directly or indirectly, is it liable to tax?
 - (v) A life insurance policy was taken in April, 2012 for a capital sum assured of ₹ 8 lakhs. The annual premium amounts to ₹ 1,10,000 for 10 years. How much is deductible under section 80C?
 - (vi) A wind mill was installed in June, 2012 for ₹ 200 lakhs. What is the rate of normal depreciation applicable on such wind mill?
 - (vii) Giant Oil Inc. sold crude oil to HPCL, a company in India. The sale was made within India. Is the income arising from such sale liable to tax?
 - (viii) A company owned chain of star hotels in India. It has been availing deduction under section 35AD. In December, 2012, it transferred the operation of hotels (all above two star category) to another group company. Is it eligible to avail the benefit of section 35AD even after the transfer of operating the hotels?

Please Turn Over

