Q1. Attempt any five of the following: (5 x 3 = 15 marks)

(a) Define assess as per Sec. 2 (7) of Income Tax Act, 1961.
(b) State the conditions for determination of the residential status of an individual.
(c) Define a company as per Sec. 2(17) of Income Tax Act, 1961.
(d) Explain the meaning of previous year. What would be the previous year for a new business started during the financial year.
(e) Explain the concept and applicability of advance rulings.
(f) Explain best judgement assessment.
(g) Discuss Sec 91 relating to avoidance of double taxation.
(h) Define dividend according to Sec 2(22) of Income Tax Act.

Q2. Mr. B has given the following information:

(i) He first time went to Japan on 10th January, 2001 and came back to India on 22nd June, 2001.
(ii) On 30th September, 2004, he went to England and came back to India after 90 days.
(iii) On 16th July, 2009, he had gone to Sri Lanka and came back to India after staying 100 days.
(iv) On 2nd December, 2011, he had gone to Nepal for 85 days.
(v) In the previous year 2011-12, he was out of India for 180 days.

He submits the following details of his incomes for the previous year:

(i) Salary Rs. 1,60,000 received in Japan for the services given in India.
(ii) Commission received in India for the services given in Sri Lanka Rs. 2,80,000.
(iii) House rent of the house situated in Nepal received in India Rs. 60,000.
(iv) Dividend of a England based company received in India Rs. 1,50,000.
(v) Profit of the business situated in Japan brought to India Rs. 10,00,000.

Determine residential status of Mr. B for the previous year 2011-12 and determine the income liable to be taxed in India. (15 marks)

Q3. For the A.Y. 2012 – 13, X, an individual (age 66 years), submits the following information:

Rs.
House Property Income -1,25,000
Income from the business of growing and manufacturing coffee in India (gross) 4,00,000
Expenditure on earning coffee income 2,000

Determine the tax liability of X for the A.Y. 2012 – 13 on the assumption that he contributes Rs. 20,000 towards public provident fund. (15 marks)
Q4. X is working in a Company at Hyderabad on a salary of Rs. 21,000 p.m. and dearness allowance of Rs. 2,500 p.m. and medical allowance of Rs. 1,000 p.m. He received Rs. 7,000 as bonus for the year 2011-12.

He is given a rent-free unfurnished house, owned by the employer. The house is also provided with a gardener on a monthly salary of Rs. 500. He has taken a loan of Rs. 20,000 from his employer for purchasing a motor-cycle. Employer paid Rs. 8,000 as his membership fee of Rotary Club for the year ending 31.3.2012.

He is contributing 15% of his salary to Recognized Provident Fund, to which his employer is contributing 14%. Interest credited to the provident fund @ 9.5% p.a. during the year is Rs. 10,000. Compute his taxable salary for the assessment year 2012-13.

(15 marks)

Q5. A domestic company, ABC Ltd., has an undertaking newly established for export of computer software in a free trade zone, the profits of which have been merged in the net profit of the company as per Profit and Loss Account prepared in accordance with the provisions of Parts II and III of Schedule VI to the Companies Act. It furnishes the following particulars in respect of assessment year 2012-13 and seeks your opinion on the application of Section 115JB. You are also required to compute the total income and tax payable.

<table>
<thead>
<tr>
<th>Part</th>
<th>Description</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Net profits as per Profit and Loss Account as per Schedule VI</td>
<td>2,00,00,000</td>
</tr>
<tr>
<td>(2)</td>
<td>Profit and Loss account includes:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Credits:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dividend income</td>
<td>20,00,000</td>
</tr>
<tr>
<td></td>
<td>Excess realized on sale of land held as investment</td>
<td>30,00,000</td>
</tr>
<tr>
<td></td>
<td>Net profit of the undertaking for export of computer software</td>
<td>1,00,00,000</td>
</tr>
<tr>
<td></td>
<td>(b) Debits:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depreciation on straight line method basis</td>
<td>1,00,00,000</td>
</tr>
<tr>
<td></td>
<td>Provision of losses of subsidiary company</td>
<td>60,00,000</td>
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<tr>
<td>(3)</td>
<td>Depreciation allowable as per Income Tax Act and Rules</td>
<td>1,50,00,000</td>
</tr>
<tr>
<td>(4)</td>
<td>Capital gains as computed under Income Tax Act</td>
<td>40,00,000</td>
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<tr>
<td>(5)</td>
<td>Losses brought forward as per books of account:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business loss</td>
<td>50,00,000</td>
</tr>
<tr>
<td></td>
<td>Unabsorbed depreciation</td>
<td>60,00,000</td>
</tr>
</tbody>
</table>

The company has represented to you that the excess realized on sale of land cannot form part of the book profit for purposes of Section 115JB. You will have to deal with this issue.

(15 marks)

Q6. Explain the tax considerations relating to the following tax planning decisions:
   (a) the nature of the business to be set up.
   (b) Ownership pattern

(7.5 + 7.5 = 15 marks)

Q7. Discuss the various types of returns and their respective due dates of submission. Also, discuss the different ways of making an assessment by the Assessing Officer.

(15 marks)

Q8. (a) What do you understand by 'Payment of Advance Tax' or 'Pay as you Earn Scheme'. What happens in case of default in payment of advance tax?
   (b) Discuss the procedure for redressal of grievances.

(7.5 + 7.5 = 15 marks)