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GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR
Course: Income Tax: Theory, Practice and Management
Semester-IV (Batch: 2015-20)

Mid Semester Test: Feb-Mar. 2017

Date: 4th March, 2017

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.
- Use of calculator is allowed.
- Bare Act is not allowed.

- Q.1 (a) Determine the residential status of Mr. Sahay for the Previous Year (PY) 2016-17. The information relating to his stay in India during the PYs is furnished below.

Marks
(03)

PY	Days	PY	Days
2016-17	181	2010-11	22
2015-16	123	2009-10	198
2014-15	44	2008-09	54
2013-14	33	2007-08	33
2012-13	266	2006-07	24
2011-12	25	2005-06	00

- (b) X furnishes the following information for the assessment year 2017-18.
- (i) Income from agricultural land from Pakistan of Rs.1,00,000, received there but later Rs.50,000 remitted to India.
 - (ii) Gift received from a friend from foreign country- Rs.65,000.
 - (iii) Past untaxed profit of 2002-03 earned in India later remitted to South Korea- Rs.3,15,000.
 - (iv) Salary and Allowances due from an employer of Japan to be received later in India. The employer maintains books of accounts on cash basis- Rs.10,000.
 - (v) Interest received in South Africa from an African Bank where majority of the shares are held by an Indian promoter- Rs.45,000.
 - (vi) Long term capital gain received in Australia on transfer of shares of a company in Cayman Islands, the business of which is spread across India- Rs.3,00,000.
 - (vii) Income from a legal profession carried on in UK, received in Switzerland- Rs.40,000.
 - (viii) Income from a venture capital fund in Liberia received in Ghana, the venture capital fund had widely invested in India- Rs.20,000.
 - (ix) License fees from a copyright received across the world except India- Rs.40,000.
 - (x) Dividend on preferential allotment of bonus shares in an Indian Company- Rs.30,000.

(10x0.5
=05)

5. Employer's and Employee's contribution to NPS	Rs.10,000 p.m. each
6. Arrears of Salary untaxed which was due in P.Y. 2006-07	Rs.40,000
7. Leave Encashment while in service (received on 30.9.2016)	Rs.2,50,000
8. Leave Encashment at the time of retirement [Leave entitled- 40 days per year, leave availed- 150 days for the entire tenure]	Rs.5,00,000
9. Uncommuted pension after retirement	Rs.10,000 p.m.
10. Commuted pension (60% of the total pension)	Rs.12,00,000
11. Gratuity	Rs.12,00,000
12. Remuneration for overtime work	Rs.50,000 for the year

From the above information, calculate the income under the head salaries of Mr. Rampal, assuming salary as the only source of his income for the A.Y. 2017-18.

- (b) Discuss the procedure of determination of agricultural income. Is the current time opportune for a constructive debate on taxation of agricultural income in India?
