

E 1182

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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2018

Sixth Semester

WEALTH TAX

(For The Optional Stream Finance and Taxation of Model I and Model II B.Com. and
U.G.C. Sponsored B.Com. Taxation)

[2013 Admission only]

Time : Three Hours

Maximum Marks : 80

Part A

Answer all the questions.

Each question carries 1 mark.

1. Define net wealth.
2. What is self assessment ?
3. What do you mean by deemed assets ?
4. What is unearned increase ?
5. What do you mean by irrevocable transfer ?
6. What do you mean by AOP ?
7. What is GMR ?
8. Who is a registered valuer ?
9. Who is an assessee ?
10. What is tax planning ?

(10 × 1 = 10)

Part B

Answer any eight questions.

Each question carries 2 marks.

11. What is treatment of asset transferred to son's wife ?
12. What do you mean by converted property ?
13. List the assets exempted from wealth tax ?
14. How is assessment done in the case of executors ?

Turn over

15. What do you mean by voluntary return ?
16. What are the provisions relating to rounding off of net wealth ?
17. What is voluntary return under wealth tax act ?
18. What are the provisions relating to valuation of immovable property ?
19. List the circumstances in which prosecution may be initiated under Wealth Tax Act 1957 ?
20. What do you mean by clubbing of income ?
21. What are the problems in valuation of assets ?
22. What is incidence of wealth tax ?

(8 × 2 = 16)

Part C*Answer any six questions.**Each question carries 4 marks.*

23. Explain the taxability of wealth tax outside India ?
24. Write a note on valuation one house which is self occupied ?
25. Explain restrictive covenant ?
26. Explain payment and recovery of wealth tax.
27. What are the provisions relating to assessment under the wealth tax act 1957 ?
28. What do you mean by appeal ? Explain ?
29. Gross maintainable rent of a house is Rs. 11 lakhs and Municipality has levied taxes of Rs. 21,000 but the assessee has paid municipal taxes of Rs. 10,000, in this case, calculate Net Maintainable Rent.
30. Mr. X purchased one leasehold plot from DDA on 01.10.1979 for Rs.3,00,000 and the period of lease of lease is 99 years.
The house was constructed on 01.10.1983 by incurring an expenditure of Rs. 11,00,000. The house is let out w.e.f. 01.10.2010 @ Rs. 27,000 p.m. and tenant bears the repair charges and municipality has levied taxes of Rs. 30,000 out of which Rs.5000 was paid by the tenant and Municipal Valuation of the house is Rs. 30,000 p.m. Value of the plot as on 31.03.2011 is Rs.9 lakhs and as per the agreement 40% of unearned increase is to be paid to DDA. Compute value of the house.
31. Explain the willful attempt to evade tax under wealth tax act.

(6 × 4 = 24)

Part D

Answer any two questions.
Each question carries 15 marks.

32. Mrs. S aged 66 years has a residential property at Mumbai.

| | Rs. |
|--|-----------|
| Acquisition cost of the property .. | 18,00,000 |
| The property is built on a leasehold land .. | 24,000 |
| and the unexpired portion of lease is 33 years | |
| Municipal valuation .. | 2,00,000 |
| Municipal taxes paid by Mrs. S .. | 12,000 |
| Municipal taxes paid by the tenant .. | 20,000 |
| Repair expenses borne by Mrs. S .. | 15,000 |
| Repair expenses spent and borne by the tenant .. | 10,000 |
| Interest free security deposit .. | 5,00,000 |

(to be refundable at the time of expiry of lease)

The difference between unbuilt area' and specified area' is not more than 4% of the aggregate area.

Find out the wealth tax liability for Assessment Year 2011-12 if she has a self occupied house valuing Rs. 50,00,000 in Delhi.

33. Explain the following with reference to wealth tax act 1957.
- Wealth escaping assessment
 - Payment and recovery of wealth tax
34. Under what circumstances an assessing officer make a reference to the valuation officer for the purpose of making an assessment under the wealth tax act..
35. X' Ltd. is the owner of a house which is constructed on leasehold land acquired from D.D.A. It has let out the house to 'A' for Rs. 12,000 p.m. The other terms are as follows :
- 'A' will pay 60% of municipal tax and bear the cost of repairs.
 - 'A' will give the company interest free advance of Rs. 1,00,000. This amount will be refunded at the time of vacating the house.
 - 'A' will also pay Rs.50,000 as premium for leasing the property for 5 years.

The annual value assessed by the local authority is Rs. 1,00,000. and municipal taxes levied are Rs. 15,000. He spent Rs. 15,000 on the repairs of the house.

The difference between the "unbuilt area" and "specified area" is 14% of the aggregate area.

The cost of building (including cost of land) in 1985 was Rs. 10,00,000.

X Ltd. has paid Rs. 80,000 for the acquisition of the land but now DDA's value of land is Rs. 4,00,000 . DDA charges 50% of the unearned increase on the transfer of the house. The unexpired period of lease is 85 years. Compute the value of the house property for the purpose of wealth Tax.