

**Bachelor's Degree Programme
(BDP)**

**ASSIGNMENT
2015-16**

**Elective Course in Commerce
ECO – 11: Elements of Income Tax**

For July 2015 and January 2016 admission cycle



**School of Management Studies
Indira Gandhi National Open University
Maidan Garhi, New Delhi -110 068**

Elective Course in Commerce

ECO – 11: Element of Income Tax

ASSIGNMENT- 2015-16

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2015 and January 2016**). The validity is given below:

1. Those who are enrolled in **July 2015**, it is valid up to **June 2016**.
2. Those who are enrolled in **January 2016**, it is valid up to **December 2016**.

You have to submit the assignment of all the courses **to The Coordinator of your Study Centre**. For appearing in **June Term-End Examination**, you must submit assignment to the Coordinator of your study centre **latest by 15th March**. Similarly for appearing in **December Term-End Examination**, you must submit assignments to the Coordinator of your study centre **latest by 15th September**.

TUTOR MARKED ASSIGNMENT

Course Code	:	ECO - 11
Course Title	:	Element of Income Tax
Assignment Code	:	ECO – 11/TMA/2015-16
Coverage	:	All Blocks

Maximum Marks: 100

Attempt all the questions.

1. How is residence of an assessee determined? Explain tax liability on the basis of residence. (20)

2. Shri A. K. Rana is an employee in a company in Mumbai. He received the following remuneration in previous year:

Basic Salary	Rs. 5000 per month
Dearness allowance (under terms of employment)	Rs. 500 per month
House Rent Allowance (Rent paid Rs. 1500 per month)	Rs. 1000 per month

He retired on 1st January, 2014 after 20 years of service. He was paid Rs. 6000 gratuity and Rs. 50,000 of unrecognized provident fund. He was given pension of Rs. 800 per months. He was not covered under payment of Gratuity Act. Employer and employee's contribution is equal.

Salary and pension become payable on the last day of each month for the assessment year 2014-15 compute Mr. A. K. Rana's taxable salary. (20)

3. What do you understand by annual value? Explain the deduction allowed from annual value. (20)

4. Compute 'income from other sources' of Dr. Ashish Agrawal for the assessment year 2014-15 from the following particulars of previous year 2013-14:

- i. Found Rs. 10,000 lying on road
- ii. Income from card games Rs. 2000
- iii. Income from Royalty Rs. 6000
- iv. Remuneration received Rs. 4000 for being an examiner
- v. Remuneration received Rs. 1000 for articles written for magazines.
- vi. Income from agricultural law in Kathmandu (Nepal) Rs. 11000
- vii. Income from fisheries Rs. 3000
- viii. Amount Rent of Law received Rs. 4000
- ix. Interest received on bank deposit Rs. 1500
- x. Dividend received Rs. 3000 on shares of Indian Company
- xi. Winnings from Lottery Rs. 2000
- xii. Winnings from Horserace Rs. 1500

(20)

5. Write short notes on the following:

(a) Exempted Incomes

(b) Perquisites

(c) Exempt Capital Gains

(d) Deduction of interest on loan taken for Higher Education (80E)

(4×5)