

C 5209

(Pages : 3 + 4 = 7)

Name.....

Reg. No.....

**THIRD AND FOURTH SEMESTER M.A./M.Sc./M.Com. DEGREE
EXAMINATION, APRIL/MAY 2021**

(PVT/SDE)

(CUCBCSS)

M.Com.

MC 3C 12—INCOME TAX LAW AND PRACTICE

(2017 to 2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 2 marks.*

1. Define previous year.
2. State the meaning of Annual Value.
3. Mention any *two* exempted income.
4. What is a 'Block Asset' ?
5. What is Short term capital gain ?

(5 × 2 = 10 marks)

Part B*Answer any four questions.**Each question carries 10 marks.*

6. What is Assessment ? Explain its types.
7. State residential Status of an Individual.

Turn over

8. Mr. Balachandra an employee of Government of India is drawing a salary of of rupees 30000 per month and DA of 5000 per month. From the very beginning he was getting entertainment allowance and last year entertainment allowance was doubled At present he is drawing rupees 2000 per month as entertainment allowance. The other packages are ore of rupees 4000 per month he was getting uniform allowance rupees 3000 twice a year It was claimed that whole of it has been spent on uniform he received rupees 20,000 as bonus during the year calculate his taxable salary for 2018-19 .
9. Explain the methods of computing income from business.
10. A, B and C are members of an AOP. They share the profit or loss in the ratio of 1 : 2 : 3. During the previous year the income of AOP is Rs. 6,00,000 and incomes A B and C are Rs. 45,000, Rs. 90,000 and Rs. 1,35,000 respectively. Compute tax liability of AOP and A, B and C for the assessment year 2018-19.
11. Explain : Tax liabilities of Co-operatives and Trusts.

(4 × 10 = 40 marks)

Part C

*Answer any two questions.
Each question carries 15 marks.*

12. Mr.Sundaram is a business man. The particulars of his income are as follows for the assessment year of 2018-19 :

1	Business Income	...	4,82,000
2	Income for House Property (Computed)	...	24,000
3	Interest on Government Securities	...	20,000
4	Long - term Capital Gains	...	12,000
5	Winnings from horse race	...	7,000

He has paid life insurance premium amounting to Rs. 5,000.

You are requested to compute his net tax liability.

13. The following details have been supplied by the Karta of a H.U.F Compute the total income for the AY 2018-19 :

	Rs.
(a) Profit from business	... 2,90,000
(b) Salary received by a member of HUF	... 10,000
(c) Director's fees received by Karta	... 8,000
(d) Rent from let out property	... 20,000
Municipal taxes paid	... 1,000
(e) Annual municipal value of the joint family house	... 18,000
Municipal taxes paid	... 1,000
Interest on loan for construction of house	... 20,000
(f) Interest	... 5,000
(g) Long-term capital gains from transfer of buildings	... 10,000
(h) Profit from an AOP (1/4"share)	... 10,000
(i) Dividend from companies (Gross)	... 10,000
(j) Donation to N.D.F.	... 5,000
(k) Medical Insurance Premium on the health of the members : of the family	... 6,000
(l) Premium paid on LIC policies	... 19,000

14. Explicate in detail on Powers and functions of Income tax department.

(2 × 15 = 30 marks)

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(Pages : 3 + 4 = 7)

Name.....

Reg. No.....

**THIRD SEMESTER M.Com. [PVT/SDE] DEGREE EXAMINATION
APRIL/MAY 2020**

M.Com.

**MC 3C 12—INCOME TAX LAW AND PRACTICE
(2016 Admissions)**

Time : Three Hours

Maximum : 80 Marks

Part I (Descriptive Questions)

PART A

Answer all the questions.

Each question carries 2 marks.

1. Who is a Deemed Assessee ?
2. What is Gross Total Income ?
3. Why is it necessary to determine residential status of a person ?
4. Explain the hierarchy of Income Tax Authorities ?
5. How do you compute the book profit of firm ?

(5 × 2 = 10 marks)

PART B

Answer any four questions.

Each question carries 10 marks.

6. What are the categories of Residential Status ? Explain the relevant rule applicable to Individual and company ?
7. A house property is equally owned by X, Y and Z. It has three residential units. The unit owned by X is self occupied by him and Y carries on a business in his unit. Z's unit is let out on monthly rent of Rs. 10,000. The following expenses are incurred during the previous year, which are shared equally by X, Y and Z. Municipal tax Rs. 60,000 and interest on borrowed capital Rs. 90,000. Find out income of the co-owners from house property ?
8. Mr. Y is employed in a private company at Chennai. He draws Rs. 1,60,000 as Basic Salary and 50,000 as DA (not forming part of salary) and Rs. 20,000 as bonus. Besides the company provides a rent free unfurnished house at Chennai. The house is not owned by the company. The lease rent of the house is Rs. 40,000 per annum. Determine the value of the house perquisite ?

Turn over

9. Briefly explain the power and functions of Income Tax Commissioner ?
10. Compute the tax liability of Y Ltd. For the Assessment Year 2017-18 :
- Business income from the sale of securities 4,25,000.
 - Other Business income 5,00,000.
 - Long Term Capital gain 2,00,000.
 - Securities Transaction Tax paid 75,000.

(Not deducted from the business income) ?

11. Explain briefly the different types of Assessment of Tax applicable to Assessee.

(4 × 10 = 40 marks)

PART C

*Answer any two questions.
Each question carries 15 marks.*

12. From the following particulars of Mr. X, who is a PVT. Employee at Delhi, Compute his salary income :

Salary	...	15,000 /p.m.
Bonus	...	6,000
D.A.	...	1,800
Entertainment allowance	...	6,000
Employer's contribution to Recognized P.F.	...	21,000
Employee's contribution to Recognized P.F.	...	21,000
Interest on P.F. @ 12 %	...	2,400
Personal expense of X met by employer	...	1,000
Rent free unfurnished house provided by the employer whose annual rental value	...	36,000
Salary of watchman paid by the employer	...	4,800
Medical expense reimbursed	...	14,500
Free refreshment during the office hours	...	1,500
Club bill of X paid by the employer	...	400
Contribution to ULIP by the employer	...	6,000
Contribution to PPF by the employee	...	12,000

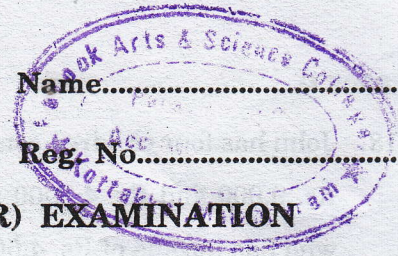
He was provided with rent free house for a period of 8 months only during the previous year after which he shifted to his own house. He continued to enjoy the facility of a watchman for his own house also.

13. Briefly explain the different deductions to be made in computing Total Income ?
14. The total income of a firm ABC in which X, Y, Z are partners, sharing Profit and Loss in the ratio of 1 : 2 : 3 was Rs. 1,31,800 during the previous year 2016-17, after debiting the following items.
- Salaries of Rs. 1,30,000 and Rs. 1,20,000 to X and Y respectively.
- Interest on capital calculated @ 20 % Rs. 3,500 and Rs. 14,000 and Rs. 10,500 to X, Y and Z respectively. Bonus to Z Rs. 15,000.
- Commission of Rs. 5,000 and Rs. 12,500 and Rs. 17,500 to X, Y and Z respectively.
- Z had borrowed capital for his investment in the firm and had paid interest of Rs. 7,500 separately to the lender.
- Compute the total income of the firm and taxable income of the three partners in the firm. All are working partners. The firm fulfils the conditions of Sec. 184.

(2 × 15 = 30 marks)

D 70893

(Pages : 3)



**THIRD SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION
NOVEMBER 2019**

M.Com.

MC3C12—INCOME TAX LAW AND PRACTICE

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer all the questions.
Each question carries 1 weightage.*

1. What is Set off and carry forward of losses ?
2. How HRA exemption is claimed.
3. Mention deduction u/s 80P.
4. What are belated returns ?
5. What is Self Assessment ?
6. What are deductions u/s24 ?

(6 × 1 = 6 weightage)

Part B

*Answer any six of the following.
Each question carries 3 weightage.*

7. Enlist the circumstances when clubbing provisions apply.
8. Explain the deduction in the case of a person with disability.
9. Discuss the procedure for computing book profit of a firm.
10. What are cases where PAN is required to be furnished ?
11. What are the perquisites taxable in the hands of specified assessee ?
12. What is the residential status of an individual who came to India for the first time in 2014-15 and who was in India as follows :

<i>Previous years</i>	<i>Presence in India</i>
2016-17	... 185 days
2015-16	... 15 days
2014-15	... 26 days

Determination of residential status.

Turn over

13. John has four children consisting 2 daughters and 2 sons. The annual income of 2 daughters were Rs. 9,000 and Rs. 4,5000 and of sons were Rs. 6,200 and Rs. 4,300, respectively. The daughter who has income of Rs. 4,500 was suffering from a disability specified u/s 80U.

Compute the amount of income earned by minor children to be clubbed in hands of John.

14. The business income an individual for the assessment year 2017-18 has been determining by the Assessing Officer at Rs. 1,50,000. Later, it is found that he has not considered the following while determining the income :

- (a) Depreciation for the current year Rs. 12,000.
 - (b) Unabsorbed depreciation brought forward Rs. 15,000.
 - (c) Unabsorbed business loss carried forward from assessment year 2016-17 Rs. 3,000
- Determine the total income for the Assessment year 2017-18.

(6 × 3 = 18 weightage)

Part C

Answer any two of the following.

Each question carries 6 weightage.

15. Mr. Sibi is employed with XY Ltd. On a basic salary of Rs. 10,000 p.m. He is also entitled to dearness allowance @ 100 % of basic salary, 50 % of which is included in salary as per terms of employment. The company gives him house rent allowance of Rs. 6,000 p.m. which was increased to Rs. 7,000 p.m. with effect from 01-01 -2017. He also got an increment of Rs. 1,000 p.m. in his basic salary with effect from 01-02-2017. Rent paid by him during the previous year 2016-17 is as under:

April and May, 2016 - Nil, as he stayed with his parents. June to October, 2016 - Rs. 6,000 p.m. for an accommodation in Coimbatore. November 2016 to March 2017 - Rs. 8,000 p.m. for an accommodation in Chennai. Compute his gross salary for assessment year 2017-18.

16. A firm which consists of P, Q, R as partners has submitted its authenticated copy of partnership deed to the Assessing Officer along with its return submits following information:

(A) Net profit Rs. 90,000 after debiting the following :

Salary to P Rs. 1,20,000.

Salary to Q Rs. 60,000.

Interest on Capital @ 13 %

To P Rs. 19,000

To Q Rs. 9,500

To R Rs. 7,600

Donation to National Foundation for communal Harmony Rs. 4,000.

(B) Interest on Government Securities Rs. 15,000

(C) Income from House Property (Computed) Rs. 24,000

(D) Interest on Bank Deposits Rs. 6,000.

Compute firm's total income if the instrument of partnership provides for payment of salary to P Rs. 1,20,000 and Q Rs. 60,000. Also compute firm's tax for the assessment year 2017-18.

17. Compute income from other sources of Mr. Muthuraj who held the following investments during the previous year 2016-17.

(a) Rs. 11,000, 10 % Central Govt. Securities.

(b) Rs. 36,000, 10 % Tax-free commercial securities of a closely held company.

(c) Rs. 6,300 received as interest on Tax free public limited company securities (listed).

(d) Rs. 7,200 received interest on Kerala Govt. Securities.

(e) Rs. 4,000 received as interest on debentures of Deepak Fertilisers (Listed).

(f) Rs. 30,000, 13.5 % securities of Paper Mill Co. (Listed).

(g) Rs. 35,000, 11 % securities of BN Co. (Listed).

(h) Rs. 10,000, 15 % Jaipur Municipal Corporation bonds.

(i) Dividend from Carona Ltd. Rs. 4,000

(j) During the year he also got a prize in Karnataka State Lottery. The net amount received by him was Rs. 35,000.

Interest on all securities is payable on 1st January every year. Bank charged Rs. 200 as collection charges.

(2 × 6 = 12 weightage)

C 62208

(Pages : 3)

Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, MAY 2019

M.Com.

MC 3C 12—INCOME TAX LAW AND PRACTICE

(2015 Admissions)

[Admission Year 2016 onwards]

Time : Fifteen Minutes

Maximum : 20 Marks

Part II (Multiple Choice Questions)

Answer all questions.

All questions are compulsory.

1. As per Income Tax Law _____ can become members of AOP.
(A) Only individual. (B) HUF and individual.
(C) Only company. (D) All of these.
2. Section 44AB of Income Tax Act deals with _____.
(A) Statutory Audit. (B) Tax Audit.
(C) Advance Tax. (D) Filing of returns.
3. Loss from speculation business can be adjusted from _____.
(A) Income from any business. (B) Income from other source.
(C) Income from capital gain. (D) Income from speculation business.
4. In case of individual, the exempted limit of income for the assessment year 2017-18 is _____.
(A) Rs. 2,00,000. (B) Rs. 2,50,000.
(C) Rs. 5,00,000. (D) Rs. 2,25,000.
5. Income from rent of agricultural land is _____.
(A) Agricultural income. (B) Business income.
(C) Casual income. (D) Income from other source.
6. In case of trust, the person who accepts the confidence is called _____.
(A) Beneficiary. (B) Trustee.
(C) Administrator. (D) Secretary.

Turn over

7. Identify the wrong statement :
- (A) The share of a partner in the income of the firm is not taxable.
 - (B) There is no distinction between registered and unregistered firm from Income tax point of view.
 - (C) A minor cannot become a partner.
 - (D) None of these.
8. In case of assesses other than companies, the rate of advance tax to be payable on or before 15th June is :
- (A) 15%.
 - (B) 45%.
 - (C) 30%.
 - (D) 60%.
9. Pay as you earn is also known as _____.
- (A) Tax Deducted at source.
 - (B) Advance payment of Tax.
 - (C) Late payment of Tax.
 - (D) Tax Planning.
10. Due date for filing of return for all assessee is _____ of the relevant year.
- (A) 31st July and 30th September.
 - (B) 30th September and 31st October.
 - (C) 31st March and May.
 - (D) 31st March and 30th June.
11. Search and seizure can be ordered if :
- (A) A person fails to produce books of accounts after getting notice u/s 142(1)
 - (B) Fails to produce books or documents which is relevant to any proceedings.
 - (C) The person holds any money or jewellery which is undisclosed.
 - (D) All of these.
12. Section 80 P of the Income Tax is applicable to _____.
- (A) Firm.
 - (B) Insurance Companies.
 - (C) Co-operative societies.
 - (D) HUF.
13. Which of the following income of HUF is taxable ?
- (A) Income of Karta from property other than ancestral inherited property.
 - (B) Salary of Karta from a firm in which the funds of family are invested.
 - (C) Income earned by a member of HUF in his individual capacity.
 - (D) Income from converted property.

14. Best judgement assessment is done by :
- (A) Assesse. (B) Assessing officer.
(C) .Either (A) or (B). (D) Deputy Commissioner (Appeal).
15. A delayed return submitted before the assessment is completed is called _____.
- (A) Revised return. (B) Belated return.
(C) Compulsory return. (D) Voluntary return.
16. Who will sign the return of income of HUF ?
- (A) Karta. (B) Head of family.
(C) Chief of family. (D) All of these.
17. JP Associate Ltd. is a _____.
- (A) Association of Person. (B) Body of Individuals.
(C) Company. (D) Firm.
18. PAN is issued by :
- (A) CDSL. (B) NSDL.
(C) CBDT. (D) RBI.
19. Income of minor child is included in the income of :
- (A) Father. (B) Person who looks after the child.
(C) Parent having higher income. (D) Minor.
20. A Limited Liability Partnership (LLP) firm is assessable for tax like :
- (A) Limited company. (B) Partnership firm.
(C) AOP. (D) BOI.

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(Pages : 3)

Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, DECEMBER 2015

(CUCSS)

MC 3C 13—INCOME TAX LAW AND PRACTICE

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each question carries 1 weightage.

1. What do you mean by an Assessee ?
2. Define Direct Tax code.
3. What is partly agricultural income ?
4. What do you understand by aggregation of income ?
5. What are the charitable donations ?
6. Differentiate between Tax management and Tax Planning.

(6 × 1 = 6 weightage)

Part B

Answer any six questions.

Each question carries 3 weightage.

7. What are the provisions governing the set-off of losses ?
- 8/ Explain the illustrate the term 'Book Profit' in relation to the assessment of firms.
9. Explain the provisions for payment of tax by companies u/s 115JB.
10. Mr. Chand transfers his self-acquired property yielding an annual income of Rs. 2,00,000 to his it UF consisting of Chand, Mrs. Chand his major son Ravi and minor son Ram. How the income is treated under IT Act, 1961 ? If the family is partitioned equally compute the income of members.
11. From the following information of a trader compute the gross total income for the assessment year 2013-14.

(i) Income from House Property (Computed)	...	2,50,000
(ii) Business Loss	...	60,000
(iii) Current year's Depreciation	...	10,000
(iv) Business Loss of preceding years	...	50,000
(v) Unabsorbed Depreciation of proceeding years	...	30,000
(vi) Short-term capital Loss	...	40,000
(vii) Long-term capital gains	...	50,000

Turn over

CITI - RPF

12. (a) Gross Total Income of Sita is Rs. 6,75,000.
 (b) She deposited in RPF Rs. 50,000. -
 (c) She paid donation to a political party Rs. 10,000 and prime minister National Relief Fund Rs. 15,000 by cheque.
 (d) She paid medical insurance premia on the health of her spouse Rs. 17,000 by cheque. compute her total income for A.Y. 2013-14.

13. Mr. Satheesh has the following income for the previous year ended 31st March, 2013 :

(a) Business profits	...	3,50,000
(b) Short term capital Gains	...	12,000
(c) Long-term capital Gains relating to hand 8 buildings	...	18,000
(d) Long-term capital Gains relating to other capital Aids	...	10,000
(e) Compensation for loss of agency	...	24,000
(f) Long-term capital loss on sale of an asset	...	16,000

Compute the total Income of Mr. Satheesh for the A.Y. 2013-14.

14. You are required to compute the net tax or tax refundable, if any, from the following particulars / assessment year 2013-14.

Salary Rs. 5,00,000.

D.A. Rs. 72,000

Rent of property Rs. 50,000. Interest received on time deposit with central Bank of India Rs. 27,000. He contributed to Recognised provident Fund @10 % of his salary and paid Rs. 9,000 as premium on his life insurance policy.

15. From the particulars given below compute the tax liability of Mr. Abraham (a senior citizen) for the A.Y. 2013-14.

(a) Income from agricultural Rs. 69,400.

(b) His business profit for the year Rs. 10,30,600.

69400
 1030600

 1100000

(6 x 3 = 18 weightage)

= 69400 + 250000
 = 319400

1100000
 300000 - Nil
 300000 - 500000 = 200000
 10% = 250000
 500000 - 100000 = 400000
 250000 - 500000 - 10% = 250000
 500000 - 100000 20% = 106200

Part C

Answer any two questions.
Each question carries 6 weightage.

16. What are the various authorities envisaged in the Indian Income Tax Law and what are their functions ?
17. From the following information compute the tax payable by Z and co. keeping in view the provisions of MAT u/s 115JB for the Assessment year 2013-14.

Profit and Loss Account

(a) Expire lated to sales	...	23,20,000	Sales	...	30,00,000
Security transaction tax paid			LTCG [Exempt u/s 10 (38)]	...	2,00,000
tax paid relating to LTCG	...	5,000	Interest on Government		
Depreciation	...	1,50,000	Security	...	25,000
Proposed dividend	...	2,50,000			
Income-tax	...	1,00,000			
Net profit	...	4,00,000			
		<hr/>			<hr/>
		32,25,000			32,25,000

- (b) The company revalued its assets from Rs. 3,00,000 to Rs. 6,00,000 and provided depreciation on Rs. 6,00,000 @ 25 %. The depreciation allowable under the Income-Tax Act is Rs. 80,000.
- (c) B/F loss as per books of account Rs. 2,00,000.
- (d) S/F depreciation as per books of account Rs. 50,000.
- (e) B/F unabsorbed depreciation Rs. 1,00,000.
18. The following are the particulars of income of an assessee.

	2009-10	2010-11	2011-12	2012-13
	Rs.	Rs.	Rs.	Rs.
Profit before Depreciations	(-) 40,000	45,000	52,000	60,000
Depreciation for the year	17,000	15,000	15,000	18,000
Deposits to Tea	_____	_____	20,000	_____
Development Account other taxable income	_____	58,000	_____	27,000

Work out the amount to be set-off or carried forward in each of the above four years appending explanatory notes.

(2 × 6 = 12 weightage)

C 31459

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Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, DECEMBER 2017

(CUCSS)

MC 3C 12—INCOME TAX LAW AND PRACTICE

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all the questions.

Each question carries 1 weightage.

1. Define the term previous year.
2. Define the term Residential Status.
3. State the provision regarding set off of loss from house property.
4. Difference between AOP and BOI.
5. What are the functions of Income Tax Authorities ?
6. Explain the term protective assessment.

(6 × 1 = 6 weightage)

Part B

Answer any six of the following.

Each question carries 3 weightage.

7. Difference between Exemptions and Deductions.
8. What are all the tax benefits available for Hindu Undivided family ?
9. Explain the various types of Agricultural Income.
10. "Income of a previous year will be charged to tax in the assessment year following the previous year". Discuss the exceptions to this general rule.
11. Enumerate eight transactions for which quoting of Permanent Account Number is mandatory.
12. Mr.Natraj, who is not covered by the payment of Gratuity Act, 1972 retires on December 25, 2013, from Nochchu Ltd., and receives Rs. 5,00,000 as gratuity after service of 36 years and 9 months. His salary is Rs.6,000 per month up to June 30, 2013 and Rs.7,000 per month from July 2013. Besides he gets D.A. Rs. 1,000 per month (70% of which is considered for service benefits).

Turn over

13. Find the taxable amount of Gratuity for the Assessment year 2014-15.
- (a) Pandian an employee of a company at Delhi (population above 25 lakhs) is in receipt of a monthly salary of Rs. 3,000 during the P.Y 2010-11. He also entitled for Bonus equal to 2 months salary and entertainment allowance of Rs. 300 p.m (W.E.F 1-4-64). He is provided with a rent free unfurnished accommodation owned by the company. Annual rental value of the same type of accommodation in the same locality is Rs. 10,000 Find out :
1. Perquisite value of the rent free accommodation.
 2. What will be the perquisite value if Pandian is an employee of S.B.I.
14. Mr. Krishna, a resident of Agra receives Rs. 1,92,000 as basic salary during the year 2014-15. In addition, he gets Rs. 19,200 p.a. as D.A forming part of pay, 7% commission on sales made by him (sales-8600) and Rs. 24,000 p.a as H.R.A. He pays Rs. 21,500 p.a as rent. Compute the house rent allowance exempt from Tax.

(6 × 3 = 18 weightage)

Part C

*Answer any two of the following.
Each question carries 6 weightage.*

15. Discuss the taxability of agricultural income under the Income Tax Act 1961. How will income be computed where an individual derives agricultural and non-agricultural income ?
16. Raman has following assets and liabilities as on 31st March, 2014. Compute his net wealth and wealth-tax liability for the assessment year 2014-15 :

	Market Value (In Rs.)
(i) Cash in hand	... 75,000
(ii) Cash at bank	... 10,00,000
(iii) Residential house	
(Loan taken to purchase this house 5,00,000)	... 45,00,000
(iv) Land in rural area (it is within 5 kms. from Delhi)	... 48,00,000
(v) Land in urban area	
(construction not permitted under the law, loan taken to purchase this land 3,00,000)	... 28,00,000
(vi) Motor car for personal use	... 14,00,000
(vii) Jewellery	... 6,00,000

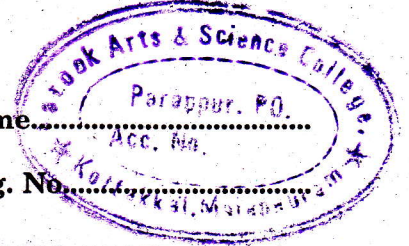
- | | | | |
|--------|--------------------------------------------------------|-----|-------------|
| (viii) | Aircraft for personal use | | |
| | (Loan taken to purchase aircraft 20,00,000) | ... | 1,00,00,000 |
| (ix) | Farm house situated within 20 kms. | | |
| | from local limits of municipality | ... | 24,00,000 |
| (x) | One let-out residential house given on rent throughout | | |
| | The year (Loan taken to construct this house 2,00,000) | ... | 20,00,000 |
17. Mr. Lakshman acquired a plot of land on 30.6.1987 (CII:150) for Rs. 2,30,000 and spend Rs. 1,60,000 on its registration and brokerage. It is sold for Rs. 15,00,000 on 30.6.2002 (CII:447) and purchased a house for Rs. 4,00,000 on 01.08.2001. Find out Capital Gain.
- (2 × 6 = 12 weightage)

D 41652

(Pages : 3)

Name.....

Reg. No.....



THIRD SEMESTER M.Com. DEGREE [SDE] EXAMINATION, MAY 2018

Commerce

MC 3C 12—INCOME-TAX LAW AND PRACTICE

(Syllabus Year 2015)

[Admission Year 2016 onwards)

Time : Fifteen minutes

Maximum : 20 Marks

Part II (Multiple Choice Questions)

Answer all questions.

All questions are compulsory.

1. Which among the following is true with respect to Alternate Minimum Tax (AMT) ?
 - (a) AMT is applicable on all the entities other than companies.
 - (b) Whose adjusted total income does not exceeds Rs. 20 lakhs are not liable to pay AMT.
 - (c) AMT is levied at 18.5 % plus surcharge of adjusted total income.
 - (d) All of these.
2. Rent from agricultural land is _____.
 - (a) Non-agricultural income.
 - (b) Agricultural income.
 - (c) Partly agricultural income.
 - (d) None of these.
3. Unabsorbed depreciation can be carry forward to _____ years.
 - (a) 7.
 - (b) 8.
 - (c) 4.
 - (d) Indefinitely.
4. Deductions under section 80C-80U are allowed from :
 - (a) Total income.
 - (b) Gross total income.
 - (c) Taxable income.
 - (d) None of these.
5. A partner is not liable to pay tax on _____.
 - (a) Share of profit from the firm.
 - (b) Salary received from firm.
 - (c) Rent received by partner from firm.
 - (d) All of these.

Turn over

6. Limited Liability Partnership (LLP) has :
- (a) Separate entity.
 - (b) Perpetual succession.
 - (c) Limited liability.
 - (d) All of these.
7. Which among the following is an allowable deduction while computing the total income of Association of Person/Body of individuals ?
- (a) Salary paid to the members.
 - (b) Interest paid by AOP/BOI to its members.
 - (c) Interest paid to the member as his personal capacity.
 - (d) None of these.
8. Income from salary involves :
- (a) Salaries and wages.
 - (b) Allowances and Perquisites.
 - (c) Advance salary and arrear salary.
 - (d) All of the above.
9. Rate of Income Tax applicable to individuals is 30 per cent when the total income exceeds _____.
- (a) Rs. 2,50,000.
 - (b) Rs. 5,00,000.
 - (c) Rs. 10 lakhs.
 - (d) Rs. 50 lakhs.
10. Education cess is applicable to :
- (a) Individual and HUF.
 - (b) AOP and BOI.
 - (c) Companies.
 - (d) All category of assessess.
11. In Best judgement assessment :
- (a) Assessing officer makes assessment on the belief that any income chargeable to tax has escaped.
 - (b) Assesse is estimated by the assessing officer unilaterally.
 - (c) Assesse loses the right of refund.
 - (d) Both (b) and (c) are correct.
12. Business income of a Muslim undivided family sharing profits in an agreed proportion under the agreement of partnership, will be assessed as that of a :
- (a) Muslim undivided family.
 - (b) AOP.
 - (c) Partnership.
 - (d) BOI.
13. Income from converted property is taxable in the hands of :
- (a) The transferor.
 - (b) HUF.
 - (c) Karta.
 - (d) Exempted.

14. The due date of filing of income tax returns if the accounts are to be audited is _____ of the assessment year.
- (a) 31st July. (b) 30th September.
(c) 30th November. (d) 31st March.
15. _____ assessment, tax authorities make assessments on two persons in respect of the same income, where there is some ambiguity as to whom the liability is to be charged.
- (a) Scrutiny assessment. (b) Self assessment.
(c) Protective assessment. (d) Best judgement assessment.
16. Identify the wrong statement from the following :
- (a) Loss from speculation business can be set off against profit from a non-speculation business.
(b) Long Term Capital Gain (LTCG) can only be set off against LTCG.
(c) No loss can be set-off against casual income.
(d) All of these.
17. Identify the deductions not available to co-operative societies U/s 80 P :
- (a) Income of cottage industry.
(b) Income from marketing agricultural produces.
(c) Income from fishing and allied activities.
(d) None of these.
18. _____ is the apex authority in India for administering the income tax affairs.
- (a) CCIT. (b) CBDT.
(c) DGIT. (d) CVC.
19. Tax Audit is compulsory for a person carrying on profession if his gross receipts in profession for the year exceeds rupees _____.
- (a) 10 lakh. (b) 50 lakh.
(c) 1 crore. (d) 20 lakh.
20. The TDS Certificate issued by an employer to his employees in case of salary income is _____.
- (a) Form 26. (b) Form 26A.
(c) Form 16. (d) Form 26Q.

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Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, DECEMBER 2018

(CUCSS—PG)

M.Com.

MC 3C 12—INCOME TAX LAW AND PRACTICE

(2015 Syllabus Year)

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer all the questions.
Each question carries 1 weightage.*

1. What is clubbing of incomes ?
2. What is agricultural income ?
3. What are the basic conditions for assessment of HUF ?
4. When a person becomes liable to pay advance tax ?
5. Explain deduction u/s 80E.
6. What is a defective or incomplete return ?

(6 × 1 = 6 weightage)

Part B

*Answer any six of the following.
Each question carries 3 weightage.*

7. When property income is not charged to tax ?
8. Explain the procedure for computing long-term capital gain.
9. What are the conditions a firm should fulfil u/s 184 ?
10. Who has to submit return of income on voluntary basis as a statutory obligation ?
11. Mr. Ghosh retires on 31-10-2016 after 20 years of service and received Rs. 1,80,000 as leave encashment for 12 months. His employer allows him $1\frac{1}{2}$ months of leave for every year of service. He has already encashed leave for 18 months. His salary for 2015-16 was Rs. 15,000 and from 1-4-2016 it was raised to Rs. 16,000 p.m. Compute the taxable amount of leave encashment.

Turn over

12. Mr. Vasudev purchased a house at Udipi in 1976 for Rs. 50,000. He incurred the following expenses for the improvement of house :

Renovation of the house Rs. 25,000.

Addition of 2 rooms after one year Rs. 20,000

The fairmarket value of the house on 1-4-1981 was Rs. 1,10,000. He sold the house in May 2016 for Rs. 17,00,000 and purchased another house property within two months for Rs. 3,00,000 and invested Rs. 50,000 in Capital Gain Deposit Scheme to buy another house.

Compute the taxable amount of capital gain if CII for 1981-82 is 100 and for 2016-17 is 1125.

13. From the following particulars compute the total income of Mr. David for the Assessment Year 2017-18 :

Income from house property (-) Rs. 8,000.

Short term capital gain on sale of shares Rs. 95,000.

Long term capital loss on sale of bonds (-) Rs. 85,000.

Interest on Government securities Rs. 18,000.

The assessee has unabsorbed depreciation of Rs. 35,000 being brought forward from 2015-16.

Assessee had closed the business and all the assets have been disposed of.

14. Shri Anil earned gross total income of Rs. 5,00,000 in the previous year 2016-17 and made the following donations during the year :

(a) Rs. 10,000 to Chief Minister's Earthquake Relief Fund, Gujarat.

(b) Rs. 15,000 to National foundation for communal harmony.

(c) Rs. 20,000 to Municipal corporation approved for promotion of family planning.

(d) Rs. 45,000 to approved institutions.

(e) Rs. 20,000 to Swachh Bharat Kosh.

Compute the amount of deduction admissible to him u/s 80 G for the Assessment Year 2017-18.

(6 × 3 = 18 weightage)

Part C

Answer any two of the following.
Each question carries 6 weightage.

15. Mr. Krishna owns a residential house in Delhi. The house is having two identical units. First unit of the house is self-occupied by Mr. Krishna and another unit is rented for Rs. 12,000 p.m. The rented nit was vacant during the year. The particulars of the house for the previous year 2016-2017 are as under :

Standard Rent	...	Rs. 2,00,000 p.a.
Municipal Valuation	...	Rs. 2,44,000 p.a.
Fair rent	...	Rs. 2,35,000.
Municipal tax paid by Mr. Krishna	...	12 % of the Municipal Valuation .
Light and water charges	...	Rs. 800 p.m.
Interest on borrowed capital	...	Rs. 2,000 p.m.
Insurance charges	...	Rs. 3,500 p.a.
Painting expenses	...	Rs. 16,000 p.a.

Compute income from house property of Mr. Krishna for the Assessment Year 2017-2018.

16. From the following information of Mr. Mohit for the financial year 2016-2017 you are required to compute his total income for the financial year 2016-17 and ascertain the amount of losses which will be carried forward to next year.

	Rs.
(i) He owns two houses :	
House No. 1 - Income after all statutory deductions	... 80,000
House No. 2 - Current year loss	... 38,000
(ii) He has three proprietary business concerns :	
(a) Textile business :	
Discontinued from 30-9-2016 - Current year's loss	... 40,000
Brought forward loss of assessment year 2013-14	... 95,000
(b) Chemical Business -since discontinued	
Bad debts allowed in earlier years recovered during the year	... 35,000
Brought forward business loss of A.Y. 2015-16	... 50,000
(c) Leather Business	
Profit for the current year	... 1,00,000
(d) Share of Profits in a firm in which he is partner since 2005	... 16,550
(iii) Short term capital gains	... 60,000
Long-term capital loss	... 35,000
(iv) Contribution to LIC towards premium	... 10,000

Turn over

17. The business income of M/S MSA and Co. a firm was Rs. 4,64,800 before charging the following :

	Rs.
Salary to Partner M	... 1,20,000
Salary to Partner S	... 90,000
Commission to A	... 1,60,000
Interest @ 15 %	
to M	... 24,500
to S	... 16,000

The partnership deed (whose certified copy has been submitted along with return) provides for payment of salary and commission to partners. Interest @15% has also been included in the deed.

Calculate firm's business income.

(2 × 6 = 12 weightage)