

B.COM. DEGREE END SEMESTER EXAMINATION - MARCH 2020**SEMESTER –6: COMMERCE (OPTIONAL COURSE FOR FINANCE & TAXATION)****COURSE: 15U6OPCFT4: INCOME TAX ASSESSMENT AND PROCEDURE***(Common for Regular 2017 Admission & Supplementary 2016 /2015 Admissions)*

Time: Three Hours

Max Marks: 75

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

1. Explain bond washing transaction with example.
2. Write any four items taxable under the residuary head.
3. What is revocable transfer?
4. What is unexplained expenditure?
5. What are the powers of Assessing Officer?
6. What is transfer pricing?
7. Explain TCS and TDS.
8. What do you mean by return of loss?
9. Mention any four situations where PAN is compulsory
10. What is Ex-parte Assessment?

(2 x 10 = 20)

SECTION B***Answer any five questions. Each question carries 5 marks.***

11. The following incomes were received by Mr. Akash during the Financial Year 2017-18:

Director's Fees	→ 12,000
Income from Agricultural Land (in Pakistan)	→ 80,000
Interest from post office saving bank account	→ 1,500
Interest on fixed deposit in SBI	→ 1,800
Winning from lottery (net)	→ 1,40,000
Crossword puzzles	→ 3,500
Royalty on books	→ 30,000
(expenses in this connection – 2,000)	

Compute his income from other sources.
12. What is inter head adjustment? Explain the provisions of inter head set off.
13. Following are the particulars submitted by Mr. Karan for the year ending 31st March 2018. Compute his total income:

- (i) Income from house property:
- a. Income from house 'A' → Rs.60,000/-
 - b. Loss from house 'B' (both houses are let out) → Rs.20,000/-
- (ii) Income from business or profession:
- a. Income from cloth business → Rs.30,000/-
 - b. Loss from hardware business → Rs.60,000/-
 - c. Loss from speculation business → Rs.10,000/-
- (iii) Income from other sources:
- a. Income from Lottery → Rs.25,000/-
 - b. Loss from maintenance of race horses → Rs.7,000/-
 - c. Interest on securities → Rs.10,000/-
- (iv) Gross salary → Rs.1,66,000/-

14. Write a note on TARC and GAAR.

15. Calculate the amount of deduction u/s 80G:

- a. Gross Total Income → Rs.3,00,000/-
- b. Deduction u/s 80C to 80U (except u/s 80G) → Rs.50,000/-
- c. Donations by cheques :
 - i. P.M. National Relief Fund → Rs.35,000/-
 - ii. Allahabad University- National Eminence → Rs.15,000/-
 - iii. Technology Development and Application Fund → Rs.10,000/-
 - iv. P.M. Drought Relief Fund → Rs.20,000/-
 - v. Charitable Society → Rs.10,000/-
 - vi. Family Planning → Rs.15,000/-
 - vii. Sports Association → Rs.20,000/-

16. Describe the different modes of recovery of tax.

17. Samad Company Ltd. Is a widely held domestic company. The following are the particulars of its income in respect of the Previous Year 2017-18:

- a. Income from other sources → Rs.1,09,90,000
- b. Short term capital gains u/s 111A → Rs.30,000
- c. Long term capital gain → Rs.66,000
- d. Book profit u/s 115JB → Rs.1,05,00,000

Compute the amount of tax payable by the company for the AY 2018-19.

(5 x 5 = 25)

SECTION - C

Answer any three questions. Each question carries 10 marks.

18. Briefly explain the provisions of Section 80C, 80G and 80U.
19. Mr. B, a resident individual submits the following particulars of his income for the year ended 31/March/2018:
- (1) Royalty from a coal mine Rs 30,000
 - (2) Agricultural income in Bihar Rs 15,000
 - (3) Salary for a part-time job with a firm Rs 21,000
 - (4) Salary for member of parliament Rs 36,000
 - (5) Daily allowance as MP Rs 15,000
 - (6) His residential house has been taken on a rent of Rs 1,000 p.m., half of which he has sub-let @ Rs 1,200 p.m.
 - (7) Dividend received from a co-operative society Rs 5,000
 - (8) He has incurred the following expenses:
 - (i) Paid collection charges Rs 100 for collecting dividends
 - (ii) Rs 5,000 spent for earning and collecting Royalty income
- Compute Mr. B's "Income from Other Sources" for the year 2018-19.
20. Dr. Varma is a teacher. Following information relate for the Assessment Year 2018-19:
- a. Basic Salary @ Rs.12,000 p.m.
 - b. D.A. 45 % of Salary
 - c. Wardenship allowance @ Rs.400 per month
 - d. Examinership remuneration → Rs.3,000
 - e. Royalty from books for schools (computed) → Rs.22,500
 - f. Gross interest on Government securities → Rs.5,000
 - g. Interest on Tax free debentures (gross) Rs.3,000. Debentures are issued by a public sector company and are notified
 - h. Dividend on shares of a foreign company → Rs.2,500
 - i. Income from House Property (computed) → Rs.1,10,000
 - j. Contribution to SPF → Rs.5,000
 - k. Contribution to PPF → Rs.12,000
 - l. Premium paid by cheque on medical insurance policy on health of a dependent father → Rs.3,000
 - m. Donation to an approved charitable institution → Rs.10,000
- Compute his total income.

21. Compute the income of Raj for the Assessment Year 2018-19:

- a. Pension (gross) → Rs.60,000
- b. Rent from house property → Rs.20,000
- c. Winnings from lotteries → Rs.1,00,000
- d. Profit from cloth business → Rs.48,000
- e. Loss from agency business → 1,50,000
- f. Speculation business income → 2,00,000
- g. Short- term capital loss → 50,000
- h. Interest on securities → Rs.12,000

The following losses have been b/f from the preceding year:

- a. Loss from discounted business → Rs.18,000
- b. Speculation loss → Rs.20,000
- c. Long term capital loss → Rs.10,000

22. From the following particulars of Sri Vimal calculate his Gross Tax Liability for the AY 2018-19:

- a. Salary → Rs.1,49,000
- b. Business Income → Rs.4,70,000
- c. Royalty on books for colleges → Rs.30,000
- d. Rent from House Property → Rs.20,000
- e. Dividend income → Rs.15,200
- f. Interest on Govt. securities → Rs.8,800
- g. Income of a minor son → Rs.15,000
- h. Long term capital gains → Rs.30,000
- i. Contribution to PPF → Rs.30,000
- j. Life insurance premium paid → Rs.10,000
- k. Health Insurance Premium paid by cheque → Rs.8,000
- l. Donation to National Defence Fund by Cheque → Rs.5,000

(10 x 3 = 30)