

B. COM. DEGREE END SEMESTER EXAMINATION – APRIL 2021**SEMESTER –6: COMMERCE (OPTIONAL COURSE FOR FINANCE & TAXATION)****COURSE: 15U6OPCFT4: INCOME TAX ASSESSMENT AND PROCEDURE**

(Common for Regular 2018 admission & Improvement 2017/Supplementary 2017/ 2016 /2015 admissions)

Time: Three Hours

Max Marks: 75

SECTION A

Answer all questions. Each question carries 2 Marks

1. What is grossing up of income?
2. Explain tax free commercial securities and less tax securities.
3. How will you treat the income received by a minor child?
4. Explain deduction under section 80 U.
5. Which are the various income tax authorities for the purpose of Income Tax Act?
6. What is the role of TARC?
7. What is Protective Assessment?
8. What is 'PAYE'?
9. What is the use of tax clearance certificate?
10. When can refund of tax be claimed? (2 x 10 = 20)

SECTION B

Answer any five questions. Each question carries 5 marks.

11. Compute income from other sources of Shri Anil for the Assessment Year 2018-19:
 - a. Dividend from UTI → 5,500
 - b. 4% Interest from Post Office Savings Bank on → 10000.
 - c. Interest on Fixed Deposit from Punjab National Bank → 8000 (Interest credited to his account).
 - d. 30000/-, 8% Debentures of JCT Mills Ltd.
 - e. 50000/- deposit in Haryana Financial Corporation at 12% interest p.a.
 - f. 5200/- interest received on National Development Bonds.
 - g. 100000/-, 9% Tax-free Commercial Securities.The bank charges 2% commission on collection of net amount of interest and dividend.
12. What is carry forward of losses? What are the conditions to be satisfied to carry forward business losses?

13. From the following information of a trader, compute the gross total income for the Assessment Year.

2018-19:

- | | |
|---|-----------------|
| a. Income from House Property | → Rs.2,50,000/- |
| b. Business Loss | → Rs.50,000/- |
| c. Current year's Depreciation | → Rs.12,000/- |
| d. Business loss of preceding years | → Rs.55,000/- |
| e. Unabsorbed Depreciation of preceding years | → Rs.30,000/- |
| f. Short term Capital loss | → Rs.40,000/- |
| g. Long term Capital gains | → Rs.50,000/- |

14. What are the powers of CBDT?

15. Compute the total income of Ms. Shreya for the Assessment Year 2018-19:

- Salary Income of Ms. Shreya is Rs.4,50,000/-
- She deposited Rs.40,000 in PPF and purchased NSC VII Issue Rs.20,000/-
- She deposited Rs.48,000 in pension fund of LIC of India
- She paid interest Rs.20,000 on loan taken from a financial institution for her higher education and loan instalment Rs.30,000/-

16. Explain Best Judgement Assessment and Income Escaping Assessment.

17. For the Assessment Year 2018-19 a company has calculated its 'Book Profit' as per the provisions of Section 115JB of Income Tax Act, 1961 at Rs.95,00,000/- as against the total income of Rs.30 lakh for the same period as per the Statement of P & L of the company.

Calculate the amount of tax payable by the company.

(5 x 5 = 25)

SECTION C

Answer any three questions. Each question carries 10 Marks

18. What is set off of losses? Explain all the provisions relating with inter head and intra head set off.

19. Following are the particulars of the income of Smt. Krishna:

- (1) Interest received on Govt securities – 9,000
- (2) Dividend received from a foreign company – 8,000
- (3) Amount received from winnings of lottery – 66,500
- (4) Income from letting on hire the private car (letting on hire of car is not the business of Smt. Krishna) – 40,000
- (5) Family pension per month – 1500

She incurred the following expenditures:

- a. Interest paid on loan taken to purchase shares and securities – 7,000
- b. Bank commission paid @ 2% for collecting dividends and interests.
- c. Spent 1,500 on purchasing lottery tickets
- d. Expenses of the private car for the period during which it was let out Rs 12,000 (including depreciation)

Compute the income of Smt. Krishna under the head 'Income from Other Sources' for the assessment year 2018-19.

20. Mr. Adam who is totally blind submits the following information. Compute his Total Income.

- a. Salary received → 3,60,000
- b. Rent received (per month) → 4,000
- c. Dividend from Co-operative society → 2,000
- d. Interest from a firm (Gross) → 8,000
- e. Interest on Government Securities → 1,000
- f. Winning from lotteries → 1,15,000
- g. NSC VIII Issue purchased during the year → 10,000
- h. Deposit under PPF → 31,000
- i. Long Term Capital Gain (Building) → 2,35,000
- j. Short Term Capital Loss → 20,000
- k. Donation to State Government for promoting family planning by cheque → 40,000

21. Mr. Aman furnishes the following particulars of his income for the Assessment Year 2018-19.

Calculate his total income:

- a. Pension from Govt. of India (Gross) → Rs.96,000
- b. Rent from house property → Rs.12,000 p.a
- c. Income from agency business → Rs.50,000
- d. Loss from cloth business → Rs.70,000
- e. Speculation business income → Rs.5,000
- f. Short term capital gains → Rs.4,000
- g. Long term capital gains → Rs.19,500
- h. Income from securities → Rs.10,000

The carry forward items from the AY 2017-18 are:

- a. Loss in agency business → Rs.1,500
- b. Speculation loss → Rs.6,000

- c. Loss from house property → Rs.4,500
 - d. Short term capital loss → Rs.6,000
 - e. Long term capital loss → Rs.6,500
 - f. Loss from interest on securities → Rs.1,200
22. Compute taxable income and the gross tax liability of Shri Mohan Kumar for the AY 2018-19 from the following particulars:
- a. Gross Salary → Rs.5,62,500
 - b. Rent from the house property → Rs.60,000
 - c. Income from horse- race → Rs.20,000
 - d. Interest on bank deposits (after TDS) → Rs.10,800
 - e. Agricultural income → Rs.20,000
 - f. Long term capital loss → Rs.25,000
 - g. Short term capital gains → Rs.40,000
 - h. Interest on KisanVikas Patra →Rs.5.000
 - i. Life insurance premium paid by Shri Mohan out of his agricultural income → Rs.10,000

(10 x 3 = 30)
