

**2020/TDC(CBCS)/ODD/SEM/
COMDSC-302T/345**

**TDC (CBCS) Odd Semester Exam., 2020
held in March, 2021**

COMMERCE

(3rd Semester)

Course No. : COMDSC-302T

(Income-tax Law and Practice)

Full Marks : 50

Pass Marks : 20

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

SECTION—A

Answer any *fifteen* of the following as directed :

1×15=15

- 1. What is previous year?**
- 2. What would be the Assessment Year for the Previous Year, 2019-20?**
- 3. Give one example of income as per the Income-tax Act, 1961.**
- 4. Total Income = Gross Total Income—
Deductions under Sections 80C to 80U.**

(Write True or False)

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(Turn Over)

5. What is the rounding off total income of ₹ 1,46,798.50?
6. Residential status of an individual is dealt with under Section _____ of the Income-Tax Act, 1961.
(Fill in the blank)
7. What are the full forms of URPF and PPF?
8. Write two fully taxable allowances.
9. Write two types of perquisites.
10. In case of house rent allowance
Salary = Pay + _____
(Fill in the blank)
11. Whether allowance from UNO is fully exempted on fully taxable allowance?
12. Salary in lieu of leave is _____ taxable.
(Fill in the blank)
13. Self-occupied but vacant house is fully taxable as per the Income-tax Act, 1961.
(Write True or False)
14. Write one difference between MRV and FRV.
15. What is the rate of standard deduction of self-occupied house? *11%*
16. Deemed to be let out is treated as _____ house property.
(Fill in the blank)

17. What would be the annual value of the house which is used for assessee's own business in case income from house property?
18. Loss from house property can be set-off from income under any other heads only up to ₹ 200,000/-
(Fill in the blank)
19. Income of a minor child is always clubbed with the income of the parent.
(Write True or False)
20. Business/profession losses can be set-off against salary income.
(Write True or False)
21. No loss can be set-off against _____ income.
(Fill in the blank)
22. What is the maximum limit of deduction u/s 80C?
23. Deduction u/s 80C is available to _____ and _____ assessee only.
(Fill in the blank)
24. What is the maximum amount of total income to get rebate of tax u/s 87A? *500,000*
25. What is the income tax exemption limit for a non-senior individual for the Assessment Year, 2020-21?
26. What is the rate of tax on long-term capital gain? *20%*

(4)

27. Listed shares held for less than 12 months are short-term capital asset / long-term capital asset.

(Choose the correct answer)

28. Profits earned from an illegal business are not taxable.

(Write True or False)

29. What is the full form of GST?

30. Write one example of income which is included in income from other sources.

SECTION—B

Answer any five of the following questions :

2×5=10

31. What is Assessment Year?

32. Mention the heads of income as per the Income-tax Act, 1961.

33. Define salary as per the Income-tax Act, 1961.

34. Define profit in lieu of salary.

35. Define annual value.

36. What is unrealised rent?

37. What do you mean by the term 'business' as per Section 28 of the Income-tax Act?

38. Define short-term capital gain and long-term capital gain.

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(Continued)

(5)

39. Define casual income.

40. Write two saving schemes which are allowed as deduction u/s 80C.

SECTION—C

Answer any five of the following questions :

5×5=25

41. Explain the scope of total income on the basis of residential status of an assessee.

42. Write a short note on any one of the following :

(a) Income

(b) PAN

43. Explain the different types of salary as per the Income-tax Act, 1961.

44. From the following particulars find out the taxable salary of Mrs. Babita working at Coimbatore [population 11 lakhs] :

(i) Salary ₹ 12,000 p.m.

(ii) Employer's contribution to employee's RPF—14% of basic salary

(iii) DA @ 100% of salary

(iv) Rent free accommodation (unfurnished) fair rental value is ₹ 80,000 p.a. Expenses on maintenance of garden met by employer ₹ 3,000

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(Turn Over)

- (v) Interest on provident fund balance @ 13% p.a.—₹ 3,900
- (vi) A car (1.4 L capacity) is provided by employer. All expenses are borne by employer. It is used both for performance of duties and private purpose. Car was used by employee for 11 months during the year
- (vii) She paid P. Tax of ₹ 1,200.
- (viii) She received ₹ 500 p.m. as fixed medical allowance

45. Explain the different types of rental values as per the Income-tax Act, 1961.

46. Mr. Barman owns a house at Chennai. Compute his income from house property for the Assessment Year, 2020-21 :

FRV—₹ 1,20,000 p.a.

Actual rent—₹ 12,000 p.m.

MRV—₹ 1,30,000 p.a.

Standard rent—N.A.

Municipal tax—10% of MRV+2% of M.Taxes as sewerage cess

Actual repairs expenses—₹ 12,000

Ground rent—₹ 2,500

Collection charges—₹ 1,200

Interest on loan—₹ 48,000

Vacancy period— Nil

Bonafide unrealised rent of current year—₹ 36,000

Construction of the house started on 1st November, 2015 and he borrowed ₹ 4,00,000 @12% on 1st July, 2016 for the completion of construction. The house was completed on 30th November, 2018 and since then it is let out.

47. Give a brief account of incomes which are included in 'income from other sources'.

48. The following is the Profit & Loss A/c of a merchant for the year ending 31-3-2020 :

Profit & Loss A/c			
₹		₹	
To Office salary	2,06,500	By Gross Profit	4,36,750
" Bad debts written off	1,700	" Commission	1,250
" Provision for bad debts	3,000	" Discounts	500
" Advertisement	53,800	" Sundry Receipts	200
" Fire Insurance premium (House property)	550	" Rent of Building	3,600
" General Expenses	52,750	" Profit on sale of investments	3,000
" Depreciation	1,200		
" Interest on Capital	2,000		

• Interest on Bank loan (due)	1,300	
• Net Profit	<u>1,22,500</u>	
	<u>4,45,300</u>	<u>4,45,300</u>

Compute the taxable profits from business.
The amount of depreciation is ₹ 1,000.
Interest on Bank Loan was paid on 1-8-2020.
Due date of filing of return is 31-7-2020.

49. Discuss the procedure for computation of capital gains as prescribed by the Income-tax Act, 1961.
50. From the following information, calculate total income and tax liability of Mr. Deb :
- Gross Total income ₹ 3,50,250
 - His contribution to RPF ₹ 19,800
 - Life insurance premium ₹ 1,200
 - Interest on savings bank A/C ₹ 12,000
