Reg. No. : ....

Name : ....

V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.) Examination, November 2018
(2014 Admission Onwards)
Core Course
5B13 : COM : INCOME TAX LAW AND PRACTICE – II

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries ½ mark.

1. Tax on total income is increased by _____

2. Transfer of income from a property, without transferring the ownership leads to _____

3. Section 80 TTA relates to _____

4. A return filed under Section 139(I) is called _____

(4×½=2)

PART – B

Answer **any four** questions. **Each** question carries **one** mark.

5. What is PAN ?

6. What is converted Property ? How is the income from a converted property treated for tax purposes ?

7. How will you deal with the set-off and carry forward of loss on maintenance of race horses ?

8. What is Tax Holiday ?

9. Explain briefly the term best judgement assessment.

10. Who is the principal officer of a company as per IT Act ?

(4×1=4)

P.T.O.

PART – C

Answer **any six** questions (**not** exceeding **one** page) **each** question carries **three** marks.

11. Explain briefly the provisions of Income tax Act 1961 regarding carry forward of losses.

12. State the powers of income tax authorities.

13. What do you understand by clubbing of income ?

14. How is Book profit calculated for MAT in case of companies ?

15. Mr. A is an employee of Larsen Limited and has substantial interest in the company. His Salary is Rs. 25,000 p.m. Mrs. A is also working in that company at a salary of Rs. 10,000 p.m. without any professional qualification. Mr. A also receives Rs. 30,000 as income from securities . Mrs. and Mr. A has three minor children. Income of their twin daughters is Rs. 2,000 p.a. and that of his son is 12,000 p.a. Compute income of Mr. and Mrs. A.

16. Mr. Sunil earned gross total income of Rs. 5,00,000 in the previous year 2017 – 18 made the following donations during the year :

    1) Rs. 10,000 to chief ministers earthquake fund Gujarat.

    2) Rs. 15,000 to National Foundation for communal harmony.

    3) Rs. 20,000 to Corporation approved for Promotion of Family Planning.

    4) Rs. 45,000 to approved educational institutions.

    5) Rs. 20,000 to Swachh Bharat Kosh.

    Compute the amount of deduction admissible to him U/S 80 G for the Assessment Year 2018 – 19.

17. Compute Total Income of Sitara a physically Handicapped person who is 67 years for the P.Y. 2017 – 18.

    1) Professional Gain Rs. 5,80,000

    2) Income from House Property (Computed) Rs. 31,000

    3) Short Term Capital Gain Rs. 6,000

    4) Long Term Capital Gain Rs. 20,000.

    5) State Lottery Prize Rs. 50,000.

    6) Amount invested in NSC VIII issue Rs. 30,000

18. What is advance tax and when does the liability to pay advance tax arises ?

(6×3=18)

PART – D

Answer **any two** questions, **each** question carry **eight** marks.

19. What are the different types of assessment ? Briefly explain each of them.

20. The Income and Expenditure A/c of M/s Verma associates, for the year ended 31-3-2018 was as follows. Amount in Rs.

	Rs.		Rs.
Expenses	2,00,000	Consultancy charges	4,60,000
Salary to Clerk	90,000	Special Commission Fee	40,000
Interest to Partners	60,000	Sundry receipts	10,000
Remuneration to Partners	3,80,000	Net Loss	3,10,000
Donations	15,000		
Depreciation – Car	75,000		
Total	**8,20,000**		**8,20,000**

The firm has two partners and it fulfills the condition of Section 184. However the following records were disclosed .

1) Of the expenses Rs. 1,20,000 is not genuine.

2) Depreciation allowed is Rs. 30,000

3) Interest allowed to Partners at the rate of 20%

4) Salary to Clerk is unreasonable to the extent of Rs. 30,000

Compute total income and tax payable by the firm.

21. Mr. A provides the following particulars of his income for the A.Y. 2018 – 19. Find out his tax if he is 81 years old.

- Salary income Rs. 8,60,000
- House property income Rs. 40,000
- Winning from lottery Rs. 1,00,000
- Profit on sale of shares (Short-terms) Rs. 90,000
- Long term Capital gain on sale of a piece of plot Rs. 2,20,000.   (2×8=16)

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