

Reg. No. :

Name :



V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.)
Examination, November 2020
(2014 Admn. Onwards)
Core Course
5B13 COM : INCOME TAX LAW AND PRACTICE – II

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark :

1. Deductions under Sections 80C and 80CCC together shall not exceed
2. MAT rate for the P. Y. 2019-20 is
3. In case of individual assesses, the due date for filing return is
4. Loss from house property up to _____ can be set off against income from any other head. (4×½=2)

PART – B

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

5. What is the provision regarding deduction in respect of severe disability of the assessee ?
6. What is meant by Belated Return ?
7. What do you mean by a Closely-held Company ?
8. What is Marginal Relief ?
9. Distinguish between AOP and BOI.
10. What do you mean by Tax Evasion ? (4×1=4)

P.T.O.



PART – C

Answer **any six** questions (**not exceeding one** page). **Each** carries **three** marks :

11. Briefly explain the contexts of aggregation of income.
12. What are the important powers of CBDT ?
13. Explain briefly the procedure for online submission of income tax return.
14. Following is a profit and loss account of a firm of Chartered Accountants for the year ending 31st March 2020 :

Profit and Loss Account for the year ended 31-03-2020

Particulars	Rs.	Particulars	Rs.
Expenses	1,48,000	Receipts from clients	2,88,000
Depreciation	40,000	Audit fees	96,000
Remuneration to partners	1,65,000	Net Loss	54,000
Interest on partner's capital	85,000		
	4,38,000		4,38,000

Additional Information :

- a) The total amount of depreciation allowable is Rs. 48,400.
- b) Out of the expenses, Rs. 29,870 are not deductible.
- c) Out of interest on partners' capital, Rs. 14,800 are not admissible.

Find taxable income of the firm, assuming that the firm satisfies the conditions as per Sections 184 and 40 (b).

15. You are required to find the amount of TDS in each of the following cases during the financial year 2019-20 :
 - a) Mr. X, a resident in India, has won the lottery of Rs. 10,00,000.
 - b) Mr. Z, a non-resident in India, has won the horse race of Rs. 8,00,000.
 - c) ABC Ltd., a domestic company, has let a building to another domestic company, XYZ Ltd. The former company will receive a consideration of Rs. 12,00,000 p.a.
 - d) An individual who is resident in India got an amount of Rs. 6,00,000 as dividend from a domestic company.
 - e) A resident individual in India received interest on unlisted debentures of a company Rs. 70,000.
 - f) A resident individual in India received interest on listed securities of a company Rs. 1,20,000.



16. Mr. Rohith furnishes following details of his income during the year 2019-20
Agricultural income Rs. 8,20,000.
Business income Rs. 4,83,000.
Find the tax liability of Mr. Rohith for the A.Y. 2020-21 assuming that he is 58 years of age.
17. From the following particulars, find total income of Mr. Xaviour for the A. Y. 2020-21 :
- a) Income from profession Rs. 12,00,000
 - b) Income from salary of Mrs. Xaviour Rs. 8,50,000
 - c) Income of minor daughter (professional dancer) Rs. 74,000
 - d) Income of Junet, minor son of Xaviour, from lottery winning Rs. 70,000
 - e) Interest on debentures of Thomas, major son of Xaviour, Rs. 30,000
 - f) Income from house property owned by Febin (minor son of Xaviour) Rs. 85,000.
18. What are the important steps required for computing total income and tax liability of an assessee ? (6×3=18)

PART – D

Answer **any two** questions. **Each** carries **eight** marks :

19. Mr. Shaljan is a government employee working in Trivandrum. He furnishes the following detail of his income :
- a) Basic Pay Rs. 22,500
 - b) Dearness Allowance : 40% of basic pay
 - c) Entertainment allowance for 6 months Rs. 9,000
 - d) House rent allowance Rs. 1,500 p.m.
 - e) Leave salary Rs. 88,000
 - f) Government has provided a small car for his official use. Running expenses of the car amounted to Rs. 5,000 p.m. including driver's salary was paid by the Govt.
 - g) Interest on savings account with a co-operative bank Rs. 5,400
 - h) Received Rs. 63,000 as interest on debentures of a company (not listed)
 - i) Interest on National Plan Certificates Rs. 3,000
 - j) He has a house, which has been occupied by his brother-in-law free of rent. The annual letting value of the house according to municipal valuation is Rs. 64,000. He paid municipal tax Rs. 2,300
 - k) During the year he paid Rs. 3,000 as employment tax
 - l) Life insurance premium deducted from salary Rs. 4,800.
- Compute total income of Mr. Shaljan for the assessment year 2020-21.



20. Explain briefly the different types of assessment.
21. ABC (Pvt.) Ltd. furnishes its Profit and Loss Account for the year ended 31st March 2020 as follows :

Profit and Loss Account for the year ended 31-03-2020

Particulars	Rs.	Particulars	Rs.
Salaries	15,500	Sales	2,31,300
Office expenses	4,200	Other income	10,000
Royalty	22,000	Dividend (Gross)	8,320
Advertisements	7,800	Interest on advance tax	3,500
Rent of premises	10,550	Interest on Govt. securities	4,850
Depreciation	7,000		
Entertainment expenses	3,200		
Staff welfare expenses	2,550		
Car expenses	7,500		
Audit fees	4,650		
Excise duty	6,600		
Gift to an employee	1,000		
Provision for taxation	12,300		
Income tax	2,200		
Dividend (Proposed)	28,300		
Net profit	1,22,620		
	2,57,970		2,57,970

Additional Information :

- a) Car has been used 1/3 for business purposes and 2/3 for personal use of the directors of the company.
- b) Depreciation includes a disallowable amount of Rs. 2,300.
- c) Salaries include Rs. 4,200 paid to the domestic servant of the manager which is unreasonable.
- d) Rent to premises has been paid without documents of proof.
- e) Advertisement expense includes a capital expenditure of Rs. 1,600.

Compute the total income and tax payable by ABC (Pvt.) Ltd.

(2×8=16)