

[4]

Compute his taxable capital gains. He paid 3% brokerage for selling the house and other expenses were ₹10000. On 1st April 2001 the fair market value of the house was 5 Lakh. Cost Index are 2001-02 (100), 2006-07 (122) and 2023-24 (348).

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|-----|---------------------------|---|----------|---|----|---|
| Q.5 | i. | Explain the concept of "Income from Other Sources" and list five examples of such incomes. | 4 | 2 | 5 | 4 |
| | ii. | Describe the rules and limitations for setting off and carrying forward losses as per the Income Tax Act. | 6 | 2 | 5 | 4 |
| OR | iii. | Following are the particulars submitted by Mr. Siddharth for the year ending 31st March, 2024, Compute his total income - | 6 | 3 | 10 | 4 |
| | (a) | Income from house property: | | | | |
| | I. | Income from house 'A' ₹ 60000 | | | | |
| | II. | Loss from house 'B' ₹ 305000 | | | | |
| | (Both houses are let-out) | | | | | |
| | (b) | Income from business or profession - | | | | |
| | I. | Income from cloth business ₹ 30000 | | | | |
| | II. | Loss from hardware business ₹ 60000 | | | | |
| | III. | Loss from speculation business ₹ 10000 | | | | |
| | (c) | Income from other sources | | | | |
| | I. | Income from Lottery ₹ 25000 | | | | |
| | II. | Loss from maintenance of Horserace ₹ 7000 | | | | |
| | III. | Interest on securities ₹ 40000 | | | | |
| | (d) | Gross salary ₹ 566000 | | | | |

Q.6 Attempt any two:

- i. Explain the steps involved in filing an income tax return. What are the consequences of late filing?
 - ii. Describe the different types of assessments under the Income Tax Act.
 - iii. Discuss the various provisions of income tax act regarding penalties.

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Total No. of Questions: 6

Total No. of Printed Pages:4

Enrollment No.....

Faculty of Commerce

End Sem Examination Dec 2024

CM3CO15 Income Tax Laws and practices

Programme: B.Com. (Hons.) Branch/Specialisation: Commerce

Maximum Marks: 60

Duration: 3 Hrs.

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

Marks	BL	PO	CO	PSO
1	1	1	1	
e 1	1	1	1	
e				
n 1	1	1	2	
d				
e 1	1	1	2	
c 1	1	1	3	

- Q.1**

 - i. Which of the following income is exempt from tax?
 - (a) Salary income
 - (b) Agricultural income
 - (c) Business income
 - (d) Capital gains
 - ii. An individual becomes a 'Resident' in India if they are present in India for a minimum of ____ days during the previous year.
 - (a) 60 days
 - (b) 120 days
 - (c) 182 days
 - (d) 240 days
 - iii. Which of the following allowances is fully exempt from income tax?
 - (a) Dearness Allowance
 - (b) Transport Allowance for commuting to office
 - (c) Special Allowance
 - (d) Foreign Allowance for government employees posted abroad
 - iv. Municipal taxes are deducted from Gross Annual Value (GAV) if:
 - (a) They are paid by the tenant
 - (b) They are paid by the owner during the financial year
 - (c) They are due but not yet paid
 - (d) They are reimbursed by the employer
 - v. Which of the following is NOT allowed as a deduction from income from business?
 - (a) Rent paid for office premises
 - (b) Personal expenses of the proprietor
 - (c) Depreciation on machinery used for business
 - (d) Interest on loan taken for business purposes

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vi.	If an asset is sold for INR 10 lakhs, and its indexed cost of acquisition is INR 8 lakhs, what is the long-term capital gain?	1	1	1 3
(a) INR 10 lakhs	(b) INR 8 lakhs			
(c) INR 2 lakhs	(d) INR 18 lakhs			
vii.	Which of the following is NOT considered under 'Income from Other Sources'?	1	1	1 4
(a) Interest on fixed deposits				
(b) Rental income from house property				
(c) Dividend from shares				
(d) Income from winning lotteries				
viii	Short-term capital loss can be set off against:	1	1	1 4
(a) Only long-term capital gains				
(b) Only short-term capital gains				
(c) Both short-term and long-term capital gains				
(d) Salary income				
ix.	Which type of assessment is conducted under Section 144 when the taxpayer fails to comply with notices?	1	1	1 5
(a) Self-assessment				
(b) Best Judgment Assessment				
(c) Summary Assessment				
(d) Limited Scrutiny Assessment				
x.	The due date for filing income tax returns for individuals (not subject to audit) is:	1	1	1 5
(a) 31st March	(b) 30th November			
(c) 31st July	(d) 30th September			
Q.2	i. Define "Assessee."	2	1	1 1
ii.	What is the difference between "Financial Year" and "Assessment Year"?	3	4	5 1
iii.	Discuss "Agricultural Income" and its tax treatment. Why is it exempt in certain cases?	5	3	5 1
OR	iv. The following are the particulars of Income of Mr. Vikas Batra (Indian Citizen) for the previous year 2023-24: -	5	3	10 1
(a)	Profit from business in Japan received in India. ₹ 100000			
(b)	Income from house property in Bangladesh received in India. ₹ 1000			
(c)	Income from house property in Sri Lanka deposited in a bank there. ₹ 2000			
(d)	Profit from business in Burma deposited in a bank			
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	there. ₹ 2000 (This business is controlled from India)			
(e)	Accrued in India but received in Malaysia. ₹ 4000			
(f)	Profit of business in Indore. ₹ 272000			
(g)	Past untaxed foreign income brought into India during the previous year. ₹ 15000			
	From the above particulars compute the taxable income of Mr. Vikas Batra for the Assessment Year 2024-25.			
(a)	Ordinarily Resident	(b) Not ordinarily resident		
(c)	Non-Resident.			
Q.3	i. Define "Income from Salary."	2	1	5 2
ii.	Describe the tax treatment of various types of allowances (fully exempt, partially taxable, and fully taxable) with examples.	8	3	5 2
OR	iii. Shri Vinay Sharma is owner of two houses. Those municipal valuations are ₹ 60000 and ₹ 360000 annual respectively. Municipal Tax 10% of its valuation. The first house was let out at the rent of ₹ 6000 per month for residential purpose. The second house was let out at the rent of ₹ 48000 per month to Bank. Under the terms of tenancy, the bank will bear municipal taxes, light and water charges but the operation and maintenance of lift will be borne by the owner ₹ 9000 per month. Determine the net annual value of the houses and taxable income from property.	8	4	10 2
Q.4	i. What is the difference between long-term and short-term capital assets?	3	4	5 3
ii.	Explain the concept of "Income from Business and Profession" with examples. How does it differ from income from Capital Gain?	7	4	5 3
OR	iii. Mr. Rajendra Bandi sold a house for ₹ 20 Lakh on 1st December 2023. The house was constructed by him in 1990 at the cost of ₹ 1.5 lakh and being used for own residence- Besides, he has two more houses. On 1st May 2024, he invested ₹ 150000 to specified Bonds of National Highway Authority of India. After construction he spent ₹ 14000 in 2006-07 on improvement of the house. He also spent ₹ 2000 per year on average for normal repair and painting of the house.	7	4	10 3

Marking Scheme
CM3CO15 Income Tax Laws and practices

			2^{nd} hours annual value Rs. 468000 Taxable Income I- 46200 $\text{II- } 327600 = 373800$		
Q.1	i)	b) Agricultural income	1		
	ii)	c) 182 days	1	Q.4	i. One mark for each difference. 3
	iii)	d) Foreign Allowance for government employees posted abroad	1		ii. concept of "Income from Business and Profession" - 04 marks 7
	iv)	b) They are paid by the owner during the financial year	1	OR	difference from income from Capital Gain- 03 marks iii. As per Solution 7
	v)	b) Personal expenses of the proprietor	1		Net consideration 19,30,000
	vi)	c) INR 2 lakhs	1		LTCG 1,50,066
	vii)	b) Rental income from house property	1	Q.5	Taxable LTCG 66
	viii)	c) Both short-term and long-term capital gains	1	i.	As per Explanation 4
	ix)	b) Best Judgment Assessment	1	ii.	As per Explanation 6
	x)	c) 31st July	1	OR	iii. As per Solution 6
					Gross total income – 3,51,000
					Loss from HP Rs. – 2,45,000 shall be adjust up to rs.2,00,000
Q.2	i.	As per Explanation	2	Q.6	Attempt any two:
	ii.	One mark for each difference.	3	i.	steps involved in filing an income tax return-03 5
	iii.	Agricultural Income-01 mark and its tax treatment-01 mark Exemption-03 marks	5	ii.	consequences of late filing- 02 5
OR	iv.	As per Solution (a) 3,81,000 (b)3,79,000 (c) 377000	5	iii.	As per Explanation 5

Q.3	i.	As per Explanation	2		
	ii.	As per Explanation	8		
OR	iii.	As per Solution 1^{st} hours annual value Rs. 66000	8		