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- Q.6 Attempt any two:
- What is CBDT? Discuss its functions & powers. (any four) **5**
 - Explain the important points of Appeal to High Court in Detail **5**
 - Elaborate any five Defaults & Penalties. **5**

Total No. of Questions: 6

Total No. of Printed Pages:4

Enrolment No.....



Faculty of Commerce
End Sem (Odd) Examination Dec-2019
CM3CO15 Income Tax Laws and Practice
Programme: B.Com.(Hons) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

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.

- Q.1
- In which year Income Tax was levied first time – **1**
(a) 1857 (b) 1859 (c) 1860 (d) 1861
 - Income of registered trade union is liable to tax – **1**
(a) Income from house property
(b) Capital gains
(c) Income from other sources
(d) All of these
 - Servant facility is taxable for – **1**
(a) Every employee (b) Specified employee
(c) General employee (d) Officer.
 - Municipal tax is allowed – **1**
(a) Current year tax (b) Preceding year tax
(c) Paid during the P.Y. (d) Tax paid by the tenant
 - In Income tax depreciation is charged on – **1**
(a) Book value (b) Cost price
(c) Market value (d) Written Down value
 - Capital gain on depreciating assets will always be – **1**
(a) Short Term (b) Long Term
(c) Tax Free (d) None of these
 - Income from lottery is – **1**
(a) Casual Income (b) Other Sources Income
(c) Taxable Income (d) All of these

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- viii. Short term capital loss can be set off from – **1**
 (a) Short term capital gain (b) Long term capital gain
 (c) Both (a) and (b) (d) Any other income
- ix. Types of assessment are – **1**
 (a) One (b) Three (c) Four (d) Many
- x. Late fees for failure to furnish return up to due date **1**
 (a) 1,000 Rs. (b) 5,000 Rs. (c) 15,000 Rs. (d) 20,000 Rs.
- Q.2 i. Define casual income giving suitable examples. **2**
 ii. Explain the salient features of Income tax. **3**
 iii. Compute the total Income of a non-resident from the following information- **5**
 (a) Salary for 3 months received in India (computed) 2,99,000/-
 (b) Dividend received in Germany from British co. 22,000/-
 (c) Interest on Fixed Deposits with State Bank of India 6,000/-
 (d) Taxable Income from house property in India 33,400/-
- OR iv. Explain in detail any five types of Agricultural Income. **5**
- Q.3 i. Municipal Valuation of a property is Rs. 18,000/- annual, while its fair rental value is Rs. 21,000/- annual. The house is let out for 8 months during the previous year at the rent of Rs. 1,600/- per month i.e. the house was vacate for four months. Determine annual value. **4**
 ii. The following particulars are of Mrs. Dr. Veena Soni's Income relating to the previous year 2018-19: **6**
 (a) Salary (after deduction Rs. 6,000/- for income tax at source) 2,48,000/- per annum.
 (b) Dearness allowance (under the terms of employment) Rs. 12,000 per month.
 (c) Education allowance (for 3 children) Rs. 5,700/- per annum.
 (d) Medical allowance (Actual expenditure Rs. 4,000/-) Rs. 7,200/- per annum.
 (e) Rent free house (in Mumbai) the company paid Rs. 5,000/- per month as rent. The house is furnished and the rent of the furniture is Rs. 2,000/- per annum.
 Compute income from salary for the Assessment year 2019-20.

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- OR iii. Mr. Sharma owns a house municipal valuation of which is Rs.72,000/-. **6**
 2/3rd portion of the house is self occupied and remaining portion is let out for Rs. 3,000/- per month. Municipal taxes paid are Rs. 12,000/-. Other expenses are – repairs Rs. 13,000/- Ground rent Rs. 3,000/- Insurance premium Rs. 4,500/- and interest on loan Rs. 27,000/-. Find out the income from house property.
- Q.4 i. Elaborate the following disallowed expenses - **4**
 (a) Amount paid outside India
 (b) Income tax & Wealth tax
 (c) Tax not Deducted at Source
 (d) Provision for Gratuity
- ii. From the income tax point of view define short term capital gains/loss & long term capital gain/Loss. **6**
- OR iii. Mr. Vikas Chouhan sold a residential house for Rs. 40,80,000/- and brokerage paid Rs. 80,000/- on 1st August 2018. **6**
 The house was purchased by him in 2000 for Rs. 10,00,000/- and registration charges paid Rs. 30,000. He has purchased a new flat for Rs. 8,00,000/- on 1st January. 2019 Rs. 40,000/- Registration charges paid. Find out taxable long term capital gains.
- Q.5 i. State the provisions relating to set off and carry forward of the following losses- **4**
 (a) Business losses (b) Speculation business losses
 (c) Capital losses (d) Unabsorbed depreciation
- ii. From the following information compute the total income and taxable income of Mr. Laddu for the Assessment Year 2019-20 – **6**
 (a) Salary Rs. 27,000/- per month.
 (b) Dividend from an Indian Co. Rs. 12,000/-
 (c) Interest on bank fixed deposit Rs. 47,600/-
 (d) Income from business and profession Rs. 60,000/-
 (e) Life Insurance premium paid Rs. 4,000/-
- OR iii. Mr. Modak's taxable income is determined Rs. 7,41,280/- for the A.Y. 2019-20. His employer deducted tax at source Rs. 28,000/- against his salary and he paid advance tax Rs. 30,000/-. Calculate his Gross Tax Liability and net tax payable. **6**

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Marking Scheme
CM3CO15 Income Tax Laws and Practice

Q.1	i.	In which year Income Tax was levied first time – (c) 1860	1
	ii.	Income of registered trade union is liable to tax – (b) Capital gains	1
	iii.	Servant facility is taxable for – (b) Specified employee	1
	iv.	Municipal tax is allowed – (c) Paid during the P.Y.	1
	v.	In Income tax depreciation is charged on – (d) Written Down value	1
	vi.	Capital gain on depreciating assets will always be – (a) Short Term	1
	vii.	Income from lottery is – (d) All of these	1
	viii.	Short term capital loss can be set off from – (c) Both (a) and (b)	1
	ix.	Types of assessment are – (c) Four	1
	x.	Late fees for failure to furnish return up to due date (b) 5,000 Rs.	1
Q.2	i.	Define casual income Suitable examples.	1 mark 1 mark 2
	ii.	Salient features of Income tax.	(1 mark*3) 3
	iii.	Taxable income Rs. 3,38,400/- & As per the presentation	(1 mark*5) 5
OR	iv.	Types of Agricultural Income	(1 mark*5) 5
Q.3	i.	Annual Rental Value Rs. 14,600/- & with presentation (1 Each for steps, 1 For answer)	4
	ii.	Gross Salary Rs. 3,19,975/- Income from salary Rs. 2,79,975/- (4 marks for the calculation of G.S.) (2 mark for final answer)	6
OR	iii.	I $\frac{2}{3}^{rd}$ portion self occupied sec. 23(2) II $\frac{1}{3}^{rd}$ Let out portion sec. 23(1) Proportionate annual value of let out portion $\frac{1}{3}^{rd}$ Rs. 32,000/- Taxable Income from House Property (loss) Rs.-4600/- (1.5 marks for each steps)=(1.5 marks*4)	6
Q.4	i.	Elaborate the following disallowed expenses	(1 mark*4) 4
	ii.	Define short term capital gains/loss. Long term capital gain/Loss.	3 marks 3 marks 6

OR	iii.	Net Consideration Rs. 40,00,000/- Long term Capital Gain Rs. 11,16,000/- Taxable Long Term Capital Gain Rs. 2,76,000/- (2 mark for each correct process)=(2 marks*3)	6
Q.5	i.	State the provisions relating to set off and carry forward of the following losses- (1 mark*4)	4
	ii.	Gross salary 32,4000/- Taxable Salary Rs. 28,4000/- Gross Total Income 3,81,600/- Taxable Income Rs. 3,77,600/-	1 mark 1 mark 2 marks 2 marks 6
OR	iii.	Income Tax on Total Income Rs. 60,756/- Gross Tax Liabilities Rs. 63,186 Net Tax Payable Rs. 5,138 (2 marks for each correct process)=(2 marks*3)	6
Q.6		Attempt any two:	
	i.	What is CBDT Functions & powers. (any four)	1 mark (1 mark*4) 5
	ii.	Important points of Appeal to High Court in Detail	(1 mark*5) 5
	iii.	Five Defaults & Penalties. *****	(1 mark*5) 5