

Enrollment No.....



Faculty of Commerce  
End Sem Examination Dec-2023  
CM3CO15 Income Tax Laws & 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. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- |     |      |  |                             |
|-----|------|--|-----------------------------|
| Q.1 | i.   | Income tax is payable on-                        | 1                           |
|     |      | (a) Every income                                 | (b) Taxable income          |
|     |      | (c) Receipt                                      | (d) Profit                  |
|     | ii.  | Agricultural income is-                          | 1                           |
|     |      | (a) Income from sale of crop                     |                             |
|     |      | (b) Income from nursery                          |                             |
|     |      | (c) Income from preparation of crop              |                             |
|     |      | (d) All of these                                 |                             |
|     | iii. | House rent allowance is-                         | 1                           |
|     |      | (a) Fully exempted                               |                             |
|     |      | (b) Exempted to a certain limit                  |                             |
|     |      | (c) Exempted in big cities                       |                             |
|     |      | (d) Exempted for Govt. employees                 |                             |
|     | iv.  | Annual rental value of the let-out house is-     | 1                           |
|     |      | (a) Municipal valuation                          | (b) Fair rent               |
|     |      | (c) Actual rent                                  | (d) Whichever is more above |
|     | v.   | Disallowed expenses of business is-              | 1                           |
|     |      | (a) Worker's salary                              | (b) Manager salary          |
|     |      | (c) Proprietor salary                            | (d) All of these            |
|     | vi.  | Types of capital assets on the basis of period-  | 1                           |
|     |      | (a) 1  | (b) 2                       |
|     |      | (c) 3  | (d) 4                       |
|     | vii. | Interest from tax free Govt. securities is made- | 1                           |
|     |      | (a) Gross-up                                     | (b) Net up                  |
|     |      | (c) Not included                                 | (d) Included as it is       |

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- viii. Loss from horserace of card game can be set off- **1**  
 (a) Horserace income  
 (b) Cards income  
 (c) Speculation business profit  
 (d) None of these
- ix. Re-assessment section is- **1**  
 (a) 140 (b) 143 (c) 145 (d) 147
- x. Last chain of income tax authorities is- **1**  
 (a) Income tax officer  
 (b) Commissioner appeal  
 (c) Income tax inspector  
 (d) Tax recovery officer

- Q.2 i. What is income tax? **2**  
 ii. How much amount is exempt regarding minor's income? **3**  
 iii. "Income tax is charged on the income of the previous year". Do you fully agree with the statement? if not, what are the exceptions? **5**
- OR iv. The following are the particulars of Income of Mr. Dheeraj Rathore (Indian Citizen) for the previous year 2022-23: **5**

1	Profit from business in Japan received in India	1,00,000
2	Income from house property in Bangladesh received in India	1,000
3	Income from house property in Srilanka deposited in a bank there.	2,000
4	Profit from business in Burma deposited in a bank there. This business is controlled from India.	2,000
5	Accrued in India but received in Malaysia.	4,000
6	Profit from business in Indore.	2,72,000
7	Past untaxed foreign income brought into India during the previous year.	15,000

From the above particulars compute the taxable income of Mr. Dheeraj Rathore for the assessment year 2023-24, if he is-

- (a) Ordinarily Resident (b) Not Ordinarily resident  
 (c) Non-Resident

- Q.3 i. What is standard deduction? **2**  
 ii. Write a note on house rent allowance. **8**
- OR iii. How will you determine the annual value of let out house covered under rent control act? **8**

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- Q.4 i. What do you mean by self-generated assets? **3**  
 ii. Mr. X provides the following data regarding his transaction for the sale of his residential house for the previous year 2022-23- **7**

1	House purchased in 2009-10.	8,50,000
2	Sold in January 2023	25,00,000
3	Purchased another house in November 2022	3,20,000
4	Deposited in the capital REC bonds in February 2023	2,00,000

Cost inflation index for 2009-10 and 2022-23 was 148 and 331 respectively.

Compute the amount of capital gains to be included in the total income for the assessment year 2023-24.

- OR iii. State seven disallowed deductions for calculating income from business or profession? **7**

- Q.5 i. State the provisions regarding carry forward of losses. **4**  
 ii. Discuss any six deductions from gross total income which are important for tax planning. **6**

- OR iii. Mr. Rakesh Upadhyay's income particulars are as under for the previous year 2022-23 – **6**

1	Net amount received from Prize of Hariyana State Lottery.	1,40,000
2	Profit on sale of a plot	16,000
3	Royalty from mine	69,000
4	Income from agricultural land in India	15,000
5	Dividend on shares from Indian companies	3,700

Collection charges of royalty ₹ 3,850 and dividend ₹ 30. He Bought Lottery tickets worth ₹ 1,760 during the previous year. Compute taxable income from other sources.

- Q.6 Attempt any two: **5**  
 i. Define best judgement assessment. **5**  
 ii. Discuss the various provisions of income tax act regarding penalties. **5**  
 iii. Who is assessing officer? Discuss its functions and rights. **5**

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# Scheme of Marking

## CM3CO15 Income Tax Laws and practices

Q.1	i)	Income Tax is payable on- <b>Ans.</b> – (b) Taxable income	1
	ii)	Agricultural Income is- <b>Ans.</b> – (d) All of above	1
	iii)	House Rent Allowance is- <b>Ans.</b> – (b) Exempted to a certain limit	1
	iv)	Annual Rental value of the let out house is- <b>Ans.</b> – (d) Whichever is more above	1
	v)	Disallowed expenses of business is- <b>Ans.</b> – (c) Proprietor salary	1
	vi)	Types of Capital assets on the basis of period- <b>Ans.</b> – (b) 2	1
	vii)	Interest from tax free Govt. securities is made- <b>Ans.</b> – (c) Not included	1
	viii)	Loss from Horserace of card game can be set off- <b>Ans.</b> – (d) None of the above	1
	ix)	Re-assessment section is- <b>Ans.</b> – (d) 147	1
	x)	Last chain of Income Tax authorities is- <b>Ans.</b> – (c) Income Tax Inspector	1
Q.2	i.	What is Income Tax? Definition of Income Tax 1 Mark Meaning of Income Tax 1 Mark	2
	ii.	How much amount is exempt regarding minor's income? Exempted income of minor with full explanation 3 Marks	3
	iii.	“Income tax is charged on the income of the Previous Year” Do you fully agree with the statement? if not, what are the exceptions? Meaning of Income Tax 1 Mark Meaning of Previous Year 1 Mark Explanation of Statement 3 Marks	5
OR	iv.	The following are the particulars of Income of Mr. Dheeraj Rathore (Indian Citizen) for the previous year 2022-23 : (a) Ordinarily Resident (b) Not Ordinarily resident	5

## (c) Non-Resident. Stepwise marking

Q.3	i.	What is Standard deduction? Meaning of Standard Deduction 1 Mark Amount of Standard Deduction 1 Mark	2
	ii.	Write a note on House Rent Allowance. Full Explanation provision regarding HRA of Income Tax Act 8 Marks	8
OR	iii.	How will you determine the annual value of let out house covered under Rent Control Act? Full explanation provision regarding determination of Annual value of let out House 8 Marks	8
Q.4	i.	What do you mean by Self Generated Assets? Meaning 1.5 Marks Definition 1.5 Marks	3
	ii.	Mr. X provides the following data regarding his transaction for the sale of his residential house for the previous year 2022-23- <b>Stepwise marking</b> 7 Marks	7
OR	iii.	State Seven disallowed deductions for calculating income from business or profession? 1 Mark for each disallowed deductions	7
Q.5	i.	State the provisions regarding carry forward of losses? Meaning of carry forward losses 1 Mark Provision of carry forward losses 3 Marks	4
	ii.	Discuss any six deductions from Gross Total Income which are important for tax planning. 1 Mark for each deduction	6
OR	iii.	Mr. Rakesh Upadhyay's income particulars are as under for the previous year 2022-23 – <b>Stepwise marking</b> 6 Marks	6
Q.6	i.	Define Best Judgement Assessment? Meaning 2 Marks Causes 3 Marks	5
	ii.	Discuss the various provisions of Income Tax Act Regarding Penalties. Explanation of various provision 5 Marks	5

- iii. Who is Assessing officer? Discuss its functions and Rights. **5**  
Who is Assessing officer 1 Mark  
Function 2 Marks  
Rights 2 Marks

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