

Enrollment No.....



Faculty of Commerce
End Sem (Odd) Examination Dec-2022
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.

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|-----|-------|---|---|
| Q.1 | i. | Income tax is imposed on- | 1 |
| | | (a) Individuals (b) Firms (c) Companies (d) All of these | |
| | ii. | Assessment year starts from- | 1 |
| | | (a) 1st Jan (b) 1st April | |
| | | (c) Starting of business date (d) On the option of assessee | |
| | iii. | Deduction allowed from Annual Rental Value- | 1 |
| | | (a) Municipal tax (b) Repairs | |
| | | (c) Insurance premium (d) All of these | |
| | iv. | Education allowance is exempted for children- | 1 |
| | | (a) One (b) Four (c) Two (d) No Limit | |
| | v. | Reserves or provision is- | 1 |
| | | (a) Allowed expenses (b) Disallowed expenses | |
| | | (c) Partly allowed (d) None of these | |
| | vi. | In Income Tax Depreciation is charged on- | 1 |
| | | (a) Book value (b) Cost price | |
| | | (c) Market value (d) Written down value | |
| | vii. | Included under the head income from other sources- | 1 |
| | | (a) Examiners remuneration (b) Lecture fees | |
| | | (c) Horse race income (d) All of these | |
| | viii. | Income from Letting out of Trademark is- | 1 |
| | | (a) Trade Income (b) Income from other source | |
| | | (c) Capital receipt (d) None of these | |
| | ix. | Types of Assessment is- | 1 |
| | | (a) Self-assessment (b) Summary assessment | |
| | | (c) Regular assessment (d) All of these | |

P.T.O.

- x. Number of digits in PAN are- **1**
 (a) 8 (b) 10 (c) 12 (d) No limit
- Q.2 i. What do you understand by the term “Income”? **2**
 ii. What do you mean by exempted Income? **3**
 iii. Explain the term “Agriculture Income”. What are its types? Is agriculture income is fully exempted from Income Tax? **5**
- OR iv. Shri Arvind Nayak has the following income during the previous year -2019- 20 **5**

Particulars	Amount (Rs)
Share in profits of a registered Firm	80,000
Dividend (gross) from Hindalco	11,000
Income from Agriculture in Nepal	20,000
Salary received in India for services rendered in Kuwait	1,50,000
Income from business in Bangladesh remitted to India. Business is controlled from India	90,000
Income earned and received in Bangladesh from bank deposit	10,000
Income accrued in India but received in Kuwait	5,000

Compute Shri Arvind Nayak’s Taxable Income if he is-
 (a) Resident in India (b) Non resident

- Q.3 i. Explain the valuation of medical facility with example. **2**
 ii. Describe valuation of rent-free house. **8**
- OR iii. Define annual value and allowed deductions which are deducted from annual value for the calculation of income from house property. **8**
- Q.4 i. Give a list of rate of depreciation applicable for various assets. **3**
 ii. What are the deductions allowed to compute income from business or profession? State also disallowed expenses. **7**
- OR iii. Mrs. Leela Nahar sold a residential house for Rs. 40,80,000/ and brokerage paid 80,000 on 1 August 2020. **7**
 The house was purchased by her in 2000 for Rs. 10,00,000/ and registration charges paid Rs. 30,000/. She was purchased a new flat of Rs. 8 lakhs on 1 January 2021, Rs. 40, 000/ registration charges paid.

[3]

- Find out taxable long term capital gains. (Index for 2020-21 = 301 and 2001-02 = 100)
- Q.5 i. Give any eight examples of income from other sources. **4**
 ii. Discuss the provisions under the income tax act relating to set off and carry forward of losses. **6**
- OR iii. Discuss any three deductions under section 80 C and 80 G of income tax act against gross total income. **6**
- Q.6 i. Discuss the various types of assessments? Describe the procedure of assessment? **5**
 ii. Describe the procedure for filling an appeal to the appellate Tribunal? **5**
 iii. Which are the various income tax authorities? Discuss their functions and powers. **5**

Marking Scheme
CM3CO15 Income Tax Laws & Practice

Q.1	i.	Income tax is imposed on-		1
		(d) All of these		
	ii.	Assessment year starts from-		1
		(b) 1st April		
	iii.	Deduction allowed from Annual Rental Value-		1
		(a) Municipal tax		
	iv.	Education allowance is exempted for children-		1
		(c) Two		
	v.	Reserves or provision is-		1
		(b) Disallowed expenses		
	vi.	In Income Tax Depreciation is charged on-		1
		(d) Written down value		
	vii.	Included under the head income from other sources-		1
		(d) All of these		
	viii.	Income from Letting out of Trademark is-		1
		(b) Income from other source		
	ix.	Types of Assessment is-		1
		(d) All of these		
	x.	Number of digits is in PAN are-		1
		(b) 10		
Q.2	i.	Definition of “Income”	1 mark	2
		Meaning	1 mark	
	ii.	Exempted Income		3
		Definition	1.5 marks	
		Meaning	1.5 marks	
	iii.	Definition of “Agriculture Income”	2 marks	5
		Its types	1 mark	
		Explanation of agriculture income is fully exempted from Income Tax		
			2 marks	
OR	iv.	Compute Shri Arvind Nayak’s Taxable Income if he is-		5
		(a) Resident in India (b) Non resident		
		Stepwise marking		
Q.3	i.	Valuation of medical facility with example.		2
	ii.	Describe valuation of rent-free house.		8
		Stepwise marking		

OR	iii.	Define annual value	2 marks	8
		Allowed deductions which are deducted from annual value for the calculation of income from house property.	6 marks	
Q.4	i.	Give a list of rate of depreciation applicable for various assets.		3
		0.5 mark for each	(0.5 mark * 6)	
	ii.	Deductions allowed to compute income from business or profession?		7
		State also disallowed expenses.		
		Stepwise marking		
OR	iii.	Find out taxable long term capital gains. (Index for 2020-21 = 301 and 2001-02 = 100)		7
		Stepwise marking		
Q.5	i.	Give any eight examples of income from other sources.		4
		0.5 mark for each	(0.5 mark * 8)	
	ii.	Provisions under the income tax act relating to set off and carry forward of losses.		6
		Stepwise marking		
OR	iii.	Any three deductions under section 80 C and 80 G of income tax act against gross total income.		6
		2 marks for each	(2 marks * 3)	
Q.6	i.	Various types of assessments	2.5 marks	5
		Procedure of assessment	2.5 marks	
	ii.	Procedure for filling an appeal to the appellate Tribunal		5
		Stepwise marking		
	iii.	Various income tax authorities	1 mark	5
		Their functions	2 marks	
		Powers.	2 marks	
