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Reg. No. : .....

Name : .....

Sixth Semester B.Com. Degree Examination, April 2017
First Degree Programme under CBCSS
Stream 1 : Finance
Elective Course IV : CO 1661.1
INCOME TAX LAW AND PRACTICE – II
(2013 Adm.)

Time : 3 Hours Max. Marks : 80

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SECTION – A

Answer **all** questions. **Each** question carries **1** mark.

1. What is Total income ?
2. What is surcharge ?
3. What is Average Rate of Tax ?
4. What is the maximum Income tax rate for individual ?
5. What is meant by 'inter source set off' ?
6. Who are eligible for deduction u/s 80C ?
7. What is the maximum deduction in respect of royalty u/s 80QQB ?
8. With whose income, the income of a minor child is clubbed ?
9. When is a company resident ?
10. What is 'Sahaj' and 'Sugam' ? **(10×1 = 10 Marks)**

SECTION – B

Answer **any eight** questions. **Each** question carries **2** marks.

11. What is meant by 'Domestic company ?
12. What is MAT ?

13. What is revocable transfer ?

14. Who is liable to pay alternate minimum tax ?

15. What is meant by clubbing of income ?

16. Who is an Assessing Officer ?

17. What is return of loss ?

18. Describe the savings which are entitled to deduction under Section 80C of the IT Act.

19. What is reassessment ?

20. Explain tax on distributed profits of domestic companies.

21. What is Section 80U of the Income Tax Act ?

22. What is belated return ? **(8×2 = 16 Mar**

SECTION – C

Answer **any six** questions. **Each** question carries **4 marks.**

23. What are the salient features of assessment of companies ?

24. What are the provisions regarding Cash credits and unexplained money ?

25. Write a brief note on CBDT.

26. What are the provisions regarding clubbing of income of spouse and other family members ?

27. Compute tax liability fo Mr. Jose for the assessment year 2016–17
His Agricultural income is Rs. 40,000 and Non-agricultural income is Rs. 4,75,000.

28. From the following particulars of income and losses, calculate the gross income of an individual after set off losses for the current A.Y.

Income from house property I	30,000
Loss from house property II	60,000
Income from interest on securities	70,000

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Loss from iron business	2,00,000
Profit from speculation business	1,20,000
Short term capital gain	25,000
Long term capital loss	50,000
Long term capital gain	1,10,000

29. Mr. Ramesh provides you the following details. Compute the allowable deductions u/s 80GG for the financial year 2015 –16 :

Income from business	2,50,000
Interest on Savings A/c in a Bank	8,000
	2,58,000

Rent paid for house occupied by him for residential purpose Rs. 2,500 p.m.

30. For the AY 2016 – 17 X Company has calculated its book profit as per the provisions of Section 115JB of IT Act at Rs. 75 lakh as against the total income of Rs. 25 lakh for the same period as per the statement of P&L of the company. Calculate the amount of tax payable by the company.

31. The following is the income of Mr. Vimal and family.

i) Mr. Vimal from Business	3,00,000
ii) Mrs. Vimal from employment	2,00,000
iii) Minor son of Vimal	10,000
iv) Minor daughter of Vimal	6,000

Compute income of Mr. Vimal

(6×4 = 24 Marks)

SECTION – D

Answer **any two** questions. **Each** question carries **15** marks.

32. Explain the provisions regarding carry forward and set off of losses.

33. Explain different types of assessment ?

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34. Mr. Rajesh furnishes the following details for the previous year 2015 – 16

Basic salary Rs. 24,000 p.m.

DA 50% of Basic pay

CCA 10% of basic pay

Interest on tax free bonds of A Ltd.	27,000
Short term capital gain	20,000
Long term capital gain	10,000
Dividend from an Indian Company	15,000
Interest on loan for Higher Education paid	10,000
Medical Insurance Premium paid by cheque	5,000
Donation to J N U (university of eminence)	4,000

Compute his total income for the AY 2016 – 17

35. The P/L a/c of M/s AB for the year ending on 31st March 2016 is

Stock	20,000	Sales	3,40,000
Purchases	1,50,000	Stock	25,000
Penalties and Fines	50,000	Rent for house property	18,000
Office salary	8,000		
Advertisement	6,000		
Interest to Partners	6,000		
Net Profit	1,43,000		
	3,83,000		**3,83,000**

i) Interest @ 8% has been paid to partners' capital.

ii) Penalties and fines have been levied because of illegal purchase.

iii) Remuneration payable to partners as per deed : A Rs. 1,80,000 and B Rs. 1,20,000.

iv) M/S A and B are equal partners in the firm.

Compute the tax payable by the firm. (2×15 = 30 Ma

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