(Pages : 4) **E – 1755**

Reg. No. : .....

Name : .....

Sixth Semester B.Com. Degree Examination, April 2018
First Degree Programme under CBCSS
Stream 1 : Finance
Elective Course IV : CO 1661.1
INCOME TAX LAW AND ACCOUNTS
(2014 Adm. Onwards)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer **all** questions in **one** or **two** sentences. **Each** question carries **1** mark.

1. Define the term 'Person'.
2. What is an Assessment Year ?
3. What is a widely held company ?
4. What is a belated Return ?
5. Explain Best Judgment Assessment.
6. Write the 'site address for e-filing'.
7. What do you mean by 'Cold Chain Facility' ?
8. What will be the cost of acquisition of a bonus share received before 1st April 1981 ?
9. What will be the Previous Year of a business started on 1st July 2015 ?
10. What do you mean by Indian Company ? **(10×1=10 Marks)**

SECTION – B

Answer **any eight** questions in **one** paragraph. **Each** question carries **2** marks.

11. Explain 'Pay as you earn' scheme.
12. Define 'Capital Asset'.
13. What do you mean by 'short term capital gain' ?
14. Name any four deduction U/S 80 that an Individual can claim on computing taxable income.
15. What do you mean by 'Rebate of tax' ?

P.T.O.

16. Explain 'Unabsorbed Depreciation'.
17. What is bareboat charter ?
18. Who is a person with substantial interest in a company ?
19. Who is the Principal Officer of a Company for Income Tax Purposes ?
20. Define the term 'Company' as given in Sec. 2 (17).
21. What will be the tax rate for an 'AOP' if 'none of the members' are liable to tax ?
22. The book profits of a company in the previous year 2015 – 16 computed in accordance with Sec. 115JB of the Income Tax Act is Rs. 12,00,000. Its total income under the Income Tax Act for the same period is computed at Rs. 3,50,000. Is the company liable to pay Minimum Alternative Tax ? If yes how much has to be paid ?

(8×2=16 Marks)

SECTION – C

Answer **any six** questions from the following. **Each** question carries **4** marks.

23. Explain the different types of assessment in use.
24. What are the advantages of e-filing ?
25. State how 'bad debts' and 'provision for bad debts' are treated while calculating profits and gains of business or profession.
26. What do you mean by 'Transfer of a Capital Asset' ?
27. Mention any four situations when an Assessing Officer may amend an Assessment Order.
28. Following data are obtained from the records of Smt. Sita, a resident individual.
    i) Gross Total Income of Smt. Sita is Rs. 6,75,000.
    ii) She deposited in RPF Rs. 50,000.
    iii) She paid donation to a Political Party Rs. 10,000 by cheque.
    iv) She paid donation to PMNRF Rs. 15,000 by cheque.
    v) She paid medical insurance premium on the health of her spouse Rs. 27,000 by cheque.

    Compute her Total Income for the Assessment Year 2016 – 17.
29. Calculate Income from Other Sources from the information given below :

    Winnings from lottery (gross) Rs. 1,00,000

    Amount Received from race winnings Rs. 35,000

Gifts received from his friend Rs. 20,000

Gifts received from his elder brother Rs. 1,00,000

Gifts received on his marriage Rs. 1,40,000

Gifts received from his NRI friend Rs. 80,000

Gifts received from his other friend Rs. 18,000

30. X Purchased a house property for Rs. 36,000 on 10th May 1964. He gets the first floor of the house constructed in 1968 – 69 spending Rs. 80,000. He dies on 12th September, 1984. The property is transferred to Mrs. X by his Will. Mrs. X spends Rs. 40,000 during 1985 – 86 for renewal/reconstruction of the property. Mrs. X sells the house property for Rs. 18,00,000 on 15-03-2016 (brokerage paid by Mrs. X is Rs. 18,000). The fair market value of the house on 1st April 1981 is Rs. 1,20,000. Find out the amount of capital gain chargeable to tax for the Assessment Year 2016 – 17.

(Cost Inflation Index for 1981 – 82: 100, 1985 – 86: 133 and 2015 – 16: 1081)

31. From the following information compute Depreciation Allowance allowable to XY & Co., a Chartered Accountant Concern, for the Assessment Year 2016 – 17.

Particulars	(Rs.)
1) Computers	1,40,000
2) Typewriters	30,000
3) Furniture and Fittings	1,00,000
4) Office Buildings	5,00,000
5) Staff Quarters – Area not exceeding 80 Sq. Meters	15,00,000
6) Purchased a new computer during the P.Y.	60,000
7) Sold old office buildings	15,00,000
8) Purchased new office building in December 2015	40,00,000
9) Purchased books (annual publications) for professional purposes	40,000

(6×4=24 Marks)

SECTION – D

Answer **any two** questions from the following. **Each** question carries **15** marks.

32. Give a brief account of the Income Authorities and explain their General powers.

33. From the following information compute the Total Income and Gross Tax Liability of a Cooperative Society for the Assessment Year 2016 – 2017.

i) Interest on securities (gross) Rs. 6,000

ii) Income from credit facilities to members Rs. 15,000

iii) Income from purchase and sale of agricultural implements and seeds to its members Rs. 25,000

iv) Income from marketing of agricultural produce of its members Rs. 25,000

v) Profit from other businesses Rs. 60,000

vi) Interest and dividends (gross) from other cooperative societies Rs. 10,000

vii) Income from cottage industry Rs. 20,000

viii) Rent Received from house property Rs. 12,000.

34. Mr. 'L' an ordinary resident in India earned the following incomes during the financial year 2015 – 16.

Directors Fees	2,000
Income from agricultural land in Pakistan	5,000
Ground Rent for land in Pathankot	10,000
Interest on postal savings bank account	100
Interest on deposit with IFCI	500
Dividend from foreign company	700
Rent from sub letting a house	26,250
Rent payable by Mr. L for the sub let house	12,000
Other expenses incurred on this sub let house	1,000
Winnings from Race Course	12,300
Interest on Securities	4,000

You are required to calculate Income from Other Sources of Mr. L for the Assessment Year 2016 – 17.

35. In respect of the Assessment Year 2016 – 17, Mr. A furnishes the following particulars and requests you to work out his tax liability :

i) Business Income Rs. 6,54,000

ii) Capital Gain – Long term Rs. 60,000

iii) Interest on Savings Bank A/c Rs. 9,000

iv) Interest on Debentures (No TDS) Rs. 5,000

v) Contributions to LIC Pension Scheme Rs. 15,000

vi) LIC Premium paid Rs. 10,000

vii) Contribution to PPF Rs. 10,000

viii) Investment in National Savings Certificates Rs. 45,000

ix) Medical Treatment of Disabled dependent Rs. 20,000

Calculate the amount of tax payable by Mr. A. **(2×15=30 Marks)**