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Reg. No. : .....

Name : .....

Sixth Semester B.Com. Degree Examination, April 2019
First Degree Programme Under CBCSS
Stream 1 : Finance
Elective Course – IV : CO 1661.1
INCOME TAX LAW AND ACCOUNTS
(2014 Admn. Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. Define partnership for Income tax purpose.
2. What is corporate tax ?
3. Write short notes on CBDT.
4. What is total income ?
5. What is self assessment ?
6. What is tax rate of firm ?
7. Write a note on rounding of tax.
8. What is long term capital gain ?
9. What is PAN ?
10. State any two rules regarding charging of depreciation. **(10×1=10 Marks)**

SECTION – B

Answer **any eight** questions in **not** exceeding **one** paragraph **each**. **Each** question carries **2** marks.

11. What are the deductions to Individuals in Section 80 G ?
12. When a company said to be Non-resident ?
13. What is the penalty for nonfilling of return ?

P.T.O.

14. What are the consequences of filing belated return ?
15. What is compulsory best judgement assessment ?
16. What is tax free commercial securities ?
17. What is AMT ?
18. Who is a tax recovery officer ?
19. What is rectification of mistake ?
20. What is rebate of tax ?
21. What is inter head set off ?
22. State the circumstances in which the income of minor child and wife of an assessee are included in assessees total income. **(8×2=16 Marks)**

SECTION – C

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

23. Income of Mr. D and Mrs. D for the previous year 2016-2017 as follows :

	Mr. D	**Mrs. D**
Salary from Himalaya Ltd.	2,15,000	Nil
Short term capital gain	90,000	Nil
Income from other source :		
Bank interest	12,000	6,250
Interest on govt. securities	3,600	2,750

D having no qualifications or experience is employed in Himalaya Ltd. Mrs. D holds 22% of Equity capital in Himalaya Ltd. from September 12, 2016. Find out gross total income of Mr. D and Mrs. D.

24. Compute tax payable by Viva Ltd. a domestic company for the assessment year 2017-2018. Total income is Rs. 6,00,000 and book profit u/s 115 JB is 24,00,000.

25. From the following particulars you are required to compute total income of X Ltd., an Indian company for the assessment year 2017-2018. The undertaking is engaged in the business of operating and maintaining a hospital in Kerala and started its operation on 1.1.2013.

Interest on securities (gross)	4,000
Income from business	6,00,000
Interest on debenture of AB Ltd. (gross)	10,00,000
Dividend from Indian company (gross)	40,000

It has distributed dividend of Rs. 1,00,000 on 1-9-2016.

26. From the following compute total income of the firm for the assessment year 2017-2018 :

Profit from small scale industrial undertaking established in backward rural area in February 2008 Rs. 40,000.

Profit from poultry breeding business 30,000

Short term capital gain 20,000

Long term capital gain 40,000

Interest from bank 6,000

Donation to approved charitable institution 15,000

Loss from house property 10,000 on account of interest on loan taken to construct the property.

27. The total income of a co-operative society computed under normal purpose of income tax is Rs. 3,00,000. However the adjusted total income of the society as per Sec. 115 JC-2 amounted to Rs. 10,00,000. Calculate final tax liability of the society for the Assessment Year 2017-2018.

28. Sri. Vivek employed in Mumbai on basic salary of 8000 p.m. DA 2000 p.m. (40% enters into retirement benefits) Bonus 18000 p.a., commission 4500 p.a., Entertainment allowance 500 p.m. his contribution of RPF 1000 p.m. Interest credited to RPF @ 10% 2000. Employer's contribution to RPF 1000 p.m. Compute salary income.

29. What are the steps for e-filing of income tax return ?

30. What is LLP ? What are its salient features ?

31. How to compute total income of AOP ? **(6×4=24 Marks)**

SECTION – D

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

32. Sri. Anil working in Western India Limited, Mumbai has furnished the following details of his income for the year ended 31-3-2017.

Salary 12000 p.m.

Bonus equal to six month's salary

Transport allowance (for coming to office and going back to his residence) 650 per month

Entertainment allowance 500 per month

Received house rent allowance of Rs. 3,000 per month from the employer but he paid a rent of 4000 p.m.

Personal medical bills of 10000 were reimbursed by the employer. His treatment has been done in a private nursing home not belonging to the employer.

His contribution to the Company's Recognised provident Fund is Rs. 18,000 and the employer contributes an equal amount. The interest credited to the provident fund account 9.5% per annum, Rs. 12,000.

Interest on Government Securities Rs. 3,000

Income from unit of mutual fund Rs. 5,500 (gross)

Interest on post office savings bank Rs. 6,500

Donation paid to Prime Ministers Drought Relief Fund Rs. 2,500

Donation paid to the Government for the promotion of family planning Rs. 2,000

Life insurance premium paid during the year Rs. 4,200

Compute total income of Anil for the assessment year 2017-2018 and also state the amount entitled deduction u/s 80.

33. Explain the powers, functions and duties of CBDT.

34. Explain the procedure and types of assessment.

35. X Electronics Ltd. is a domestic company in which public are substantially interested. The following are the particulars of income in respect of the previous year 2016-2017 :

Interest on government securities	20,000
Income from business	5,00,000
Short term capital gain	15,000
Long term capital gain	33,000
Dividend from an Indian company (gross)	10,000
Dividend from foreign company	10,000
Book profit u/s 115-JB	9,00,000

Compute company's total income and tax liability **(2×15=30 Marks)**