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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 PRACTICE – II
(2013 Admn.)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. What is Total income ?
2. What is Voluntary return ?
3. What is Self assessment ?
4. What is MAT ?
5. What is converted property ?
6. What is PAN ?
7. What is LLP ?
8. What is widely-held Company ?
9. What is meant by substantial interest in a company ?
10. What is the due date of filing return for company ? **(10×1=10 Marks)**

SECTION – B

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

11. Explain the procedure for online submission of income tax return.
12. What is ITR-2 ?
13. State the situations in which return of income is considered as defective.
14. What is Compulsory return ?

P.T.O.

15. What is Assessment order ?
16. State the consequences of best judgment assessment.
17. Who is a tax recovery officer ?
18. Explain the company in which public are substantially interested.
19. What is TDS certificate ?
20. State the losses which can be carried forward and set-off.
21. Who is an assessee in default ?
22. What is refund of tax ? **(8×2=16 Marks)**

SECTION – C

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

23. What are the situations where set-off is not allowed ?
24. State the Income tax authorities in India.
25. Explain Aggregation of Income.
26. Mr. Ravi has a gross total income of Rs. 5,00,000 during the previous year 2017–18 and has made the following donations by cheque :
    a) Rs. 10,000 to National Foundation of Communal harmony
    b) Rs. 15,000 to Zila Saksharatha Samithi
    c) Rs. 40,000 to Municipality for promotion of family planning
    d) Rs. 25,000 to approved charitable institutions.

    Compute donations admissible u/s 80 G.
27. Compute total income of Mr. Yaswanth for the previous year 2017–18.
    a) Salary income (Computed) – Rs. 8,20,000
    b) Computed income from house property – Rs. 1,60,000
    c) Life insurance premium paid – Rs. 24,000
    d) Deposited in PPF – Rs. 60,000
    e) Contribution to Recognized PF – Rs. 28,000
    f) Amount repaid for housing loan – Rs. 50,000
    g) Donation to an approved charitable trust – Rs. 50,000
    h) Medical insurance premium on his health – Rs. 10,000

28. The following particulars are submitted by Mr. Madhu regarding his income during the year 2017–18.
    a) Income from salary (computed) – Rs. 1,50,000
    b) Income from house property – Rs. 70,000
    c) Long term capital gain – Rs. 50,000
    d) Short term capital gain – Rs. 1,00,000
    e) Lottery winnings – Rs. 2,00,000
    f) Winning from cross word puzzles – Rs. 10,000
    g) Repayment of house building advance – Rs. 60,000
    h) Medical insurance premium paid – Rs. 5,000

    Compute tax payable for the year 2017–18.

29. Compute tax payable by Viva Ltd. a domestic company for the assessment year 2018 – 19 under the following cases :
    a) Total income is Rs. 6,00,000 and book profit u/s 115JB is Rs. 24,00,000
    b) Total income is Rs. 4,00,000 and book profit u/s 115JB is Rs. 6,50,000

30. GE Ltd. is a domestic company in which public are substantially interested. The following particulars of its income for the year 2017–18 are given to you :
    a) Interest on government securities – Rs. 20,000
    b) Income from business – Rs. 50,000
    c) Short term capital gain – Rs. 15,000
    d) Long term capital gain – Rs. 33,000
    e) Dividend from a foreign company – Rs. 10,000
    f) Dividend from an Indian company (gross) – Rs. 10,000
    g) Book profit u/s 115JB – Rs. 16,00,000.

    Compute net tax liability of the company for the year 2017–18.

31. Mr. Kesavan, aged 70 years, has the following incomes during the year 2017–18.
    a) Pension – Rs. 1,05,000
    b) Interest on deposits in a company – Rs. 75,000
    c) Long term capital gain – Rs. 90,000
    d) N.S.C (VIII Issue) purchased – Rs. 12,000.

    Compute Total Income and tax liability for the year 2017–18. **(6×4=24 Marks)**

SECTION – D

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

32. Describe the powers of Income tax authorities in India.

33. Explain the situation where clubbing of income is done u/s 60.

34. Mr. Murthy retired from a bank on 31-01-2018. He gives the following particulars of his Income earned during the year ended 31st March 2018.
    a) Salary (after deducting tax on employment Rs. 2,000 and income tax Rs. 12,000) – Rs. 1,80,000
    b) Own contribution to a recognized pension fund – Rs. 8,000
    c) Pension – Rs. 15,000
    d) Club bills paid by the employer – Rs. 6,000

    Other Incomes :

    a) His share of profit from a partnership firm – Rs. 50,000
    b) His share of profit from the HUF in which he is a member – Rs. 75,000
    c) Amount received as interest on government securities – Rs. 70,000
    d) Rent received from house property (could not collect one month rent) – Rs. 33,000
    e) Municipal taxes due for the year – Rs. 3,000
    f) Long term capital gain – Rs. 2,40,000

    He received Rs. 1,40,000 during the year by winning a lottery of Govt. of Kerala.

    Compute his total income and tax payable for the year 2017–18.

35. Angles Ltd. gives the following information relating to their income during the year 2017–18 :

    Net profit as per P/L a/c Rs. 13,25,000, after debiting the following expenses :
    a) Penalty for violation of tax laws – Rs. 20,000
    b) Technical know how purchased – Rs. 30,00,000
    c) Provision of tax – Rs. 3,00,000
    d) Advertisement in the news paper of a national political party – Rs. 20,000
    e) Provision for bad debt – Rs. 1,00,000
    f) Provision for customs duty (amount paid on 25-06-2018) – Rs. 75,000
    g) Health insurance premium paid for employees of the company – Rs. 65,000
    h) Interest on late payment of sales tax – Rs. 15,000
    i) Interest on late payment of income tax – Rs. 6,000
    j) Amount spent on acquisition of patent right – Rs. 5,00,000
    k) Guest house expenses – Rs. 80,000
    l) Amount paid to a nationally reputed university for scientific research – Rs. 50,000
    m) Contribution to a recognized provident fund – Rs. 1,20,000

    Compute the taxable income from business of the company. **(2×15=30 Marks)**