

**2023/TDC(CBCS)/ODD/SEM/
COMHCC-302T/323**

TDC (CBCS) Odd Semester Exam., 2023

COMMERCE

(Honours)

(3rd Semester)

Course No. : COMHCC-302T

(Income-tax Law and Practice)

Full Marks : 50

Pass Marks : 20

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

SECTION—A

Answer ten questions, selecting any two from each

Unit :

2×10=20

UNIT—I

- 1. What is meant by agricultural income?**
- 2. What is Permanent Account Number (PAN)?**
- 3. Define income under the Income-tax Act, 1961.**

(2)

UNIT—II

4. What is meant by allowances?
5. What are the items of Deduction u/S 16 in computing Income from Salary?
6. What is meant by standard rent of house property?

UNIT—III

7. What are Specified Incomes u/S 56(2) of the Income-tax Act that come under Income from Other Sources?
8. What is profession as defined u/S 2(36) of the Income-tax Act?
9. Mention any four items that are not included in the definition of Capital Assets u/S 2(14).

UNIT—IV

10. In what cases, incomes of a minor cannot be clubbed to the income of his or her parent?
11. List four contributions that qualify for 50% deduction u/S 80G from total income.
12. Write the provisions for allowing rebate u/S 87A.

(3)

UNIT—V

13. What is meant by Filing of Return?
14. Who cannot file ITR-I (Sahaj)?
15. What is Tax Collection at Source (TCS)?

SECTION—B

Answer *five* questions, selecting *one* from each
Unit : 6×5=30

UNIT—I

16. Show how the following incomes are to be assessed in the hands of an assessee who is (a) resident and (b) not ordinarily resident : 3+3=6
 - * Salary drawn during the year for employment outside India ₹ 93,500
 - * Salary drawn for employment in London office of an Indian company for 3 months ₹ 18,000
 - * Profits earned abroad and received in India ₹ 25,000
 - * Profit earned from business transactions outside India and kept in bank there ₹ 18,000

(4)

* Dividend received from an Indian company ₹ 3,000

17. Discuss the provisions of exemption u/S 10 for the following incomes (any two) : $3 \times 2 = 6$

- (a) House Rent Allowance u/S 10(13A)
- (b) Prescribed Allowances received by Employees u/S 10(14)
- (c) Interest Incomes u/S 10(15)

UNIT—II

18. Discuss the provisions of the Income-tax Act regarding taxability of the amount contributed to the different types of provident funds. 6

19. Mr. Rahul is the owner of a house property in New Delhi. It has been let out for ₹ 90,000. The tax payable by the owner comes to ₹ 8,400 on Municipal Valuation of ₹ 84,000, but the landlord has taken an agreement from the tenant stating that the tenant would pay tax direct to the municipality. The landlord, however, bears the following expenses on tenant's amenities :

Water Charges (as per agreement) ₹ 1000; Lift Maintenance ₹ 1,000; Salary of Gardener ₹ 1,200; Lighting of Stairs ₹ 800

(5)

The landlord claims the following deductions :

Repairs ₹ 30,000; Land Revenue ₹ 1,000; Collection Charges ₹ 2,000. Legal Charges incurred to purchase the land on which the House Property is situated ₹ 24,000

Compute the taxable income from house property. 6

UNIT—III

20. The following is the Profit and Loss Account of a merchant for the year ending 31.03.2023 :

Profit and Loss Account			
	₹		₹
To Office Salary	2,06,500	By Gross Profit	4,36,750
„ Bad Debts W/off	1,700	„ Commission	1,250
„ Provision for Bad Debts	3,000	„ Discounts	500
„ Advertisements	53,800	„ Sundry Receipts	200
„ Fire Insurance Premium (House Property)	550	„ Rent on Building	3,600
„ General Expenses	52,750	„ Profit on Sale of Investments	3,000
„ Depreciation	1,200		
„ Interest on Capital	2,000		
„ Interest on Bank Loan (Due)	1,300		
„ Net Profit	1,22,500		
	<u>4,45,300</u>		<u>4,45,300</u>

(6)

Compute the Taxable Profits from business.
The amount of Depreciation is ₹ 1,000.
Interest on Bank Loan was paid on
01.08.2023. Due date of filing return is
31.07.2023.

6

21. What is meant by capital gains? Discuss the exemptions available from Capital Gains u/S 54 and u/S 54G respectively. 2+2+2=6

UNIT—IV

22. Point out and discuss the incomes that belong to other persons but are clubbed with the income of an assessee u/S 60 to 65 of the Income-tax Act. 6
23. From the following Receipts and Payments Account for the year ended 31.03.2023 of Dr. Ghosh and from further particulars given below, compute his total income : 6

<i>Receipts</i>	₹	<i>Payments</i>	₹
To Opening Cash Balance	1,024	By Consulting Room Expenses	12,000
„ Consultation Fees	90,000	„ Cost of X-ray Machine	60,000
„ Salary from Medical College	2,66,000	„ Car Expenses	6,000

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(Continued)

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<i>Receipts</i>	₹	<i>Payments</i>	₹
To Short-term Capital Gains on Sale of Shares (STT not paid)	38,976	By Life Insurance Premium	22,000
„ Interest from Bank (Fixed Deposit)	23,200	„ Son's Marriage Expenses	5,000
„ Loan from Bank	10,000	„ Advance Income Tax	5,000
„ Cash Gifts on Son's Marriage	10,000	„ Household Expenses	1,72,000
	<u>4,39,200</u>	„ Closing Cash Balance	1,59,200
			<u>4,39,200</u>

Particulars :

- (i) $\frac{1}{2}$ of Car Expenses are treated as personal, (ii) He deposited ₹ 5,000 in PPF on 30.03.2023 and ₹ 10,000 in NSC VIII Issue, (iii) Household Expenses include Interest on Loan ₹ 5,000 for purchase of office computer, (iv) He has insured himself for ₹ 2,00,000 on 01.05.2022.

UNIT—V

24. Who is required to have PAN? What consequences are to be faced if one does not have PAN? Discuss. 4+2=6
25. Discuss the provisions of buying TDS on salary income. 6

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