

**2021/TDC/CBCS/ODD/  
COMDSC-302T/345**

**TDC (CBCS) Odd Semester Exam., 2021  
held in March, 2022**

**COMMERCE**

**( 3rd Semester )**

**Course No. : COMDSC-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 any *fifteen* of the following as directed :**

**1×15=15**

- 1. Give one example of agricultural income as per the Section 2(1A) of the Income-tax Act.**
- 2. What is income tax?**
- 3. Who is an assessee?**
- 4. An Indian company is always resident in India.**

**(Write True or False)**

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5. What is dearness allowance?

6. Perquisites cannot be given in monetary form.

(Write True or False)

7. Employer's contribution to recognised provident fund is exempted from tax up to \_\_\_\_\_% of salary.

(Fill in the blank)

8. Education allowance is exempted up to maximum of

- (a) one child
- (b) two children
- (c) three children
- (d) four children

(Choose the correct answer)

9. Gross annual value of the house property cannot exceed standard rent.

(Write True or False)

10. Income is taxable under the head house property only when the assessee in the \_\_\_\_\_ of such house property.

(Fill in the blank)

( 3 )

11. What is fair rental value?

12. What do you mean by income from house property?

13. What is business as per Section 2(13) of the Income-tax Act, 1961?

14. What is cost of acquisition?

15. What is cost of improvement?

16. What is capital gain?

17. Clubbing of incomes implies adding up of various incomes of an assessee.

(Write True or False)

18. What are set-off losses?

19. Rebate of tax under Section 87 is available to

- (a) an assessee
- (b) a resident individual
- (c) an individual and HUF
- (d) a partnership firm

(Choose the correct answer)

20. The maximum qualifying amount for deduction u/S 80C is ₹\_\_\_\_\_.

(Fill in the blank)

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## SECTION—B

Answer any *five* of the following questions :  $2 \times 5 = 10$

21. Mention two categories of income under the provisions of the Income-tax Act, 1961.
22. What is the maximum marginal rate of tax?
23. What is the basis of charge of salary income?
24. Write two partly taxable allowances.
25. What do you mean by income from other sources?
26. Write down the two deductions allowable under Section 24 of the Income-tax Act from the net annual value.
27. Mention two conditions under which capital gains are chargeable as per Section 45 of the Income-tax Act.
28. Write two differences between short-term and long-term capital gains.
29. What is rebate u/S 87A?
30. How can a person claim relief u/S 89(1)?

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( Continued )

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## SECTION—C

Answer any *five* of the following questions :  $5 \times 5 = 25$

31. Explain the exempted income under Section 10.
32. State five circumstances under which the income of a previous year is taxable in the previous year itself as per the Income-tax Act, 1961.
33. John Thomson is working as an Administrative Manager in a private company and is non-posted at Kolkata. Particulars of his salary for the financial year 2019–2020 are as under :
  - (i) Basic salary ₹ 40,000 p.m.
  - (ii) Bonus 10% on annual basic salary
  - (iii) Conveyance allowance ₹ 3,000 p.m. (90% spent on official duties)
  - (iv) City compensatory allowance ₹ 300 p.m.
  - (v) Children education allowance @ ₹ 500 p.m. for each child
  - (vi) Medical allowance ₹ 400 p.m.
  - (vii) John Thomson is the father of two school-going children. He has been provided with a rent-free accommodation by his employer at Kolkata. (The population of Kolkata exceeds 25 lakhs as per 2001 Census.)

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( Turn Over )

Compute the value of the rent-free accommodation to be included in the salary income of John Thomson for the Assessment Year 2021-22 if—

- (a) the accommodation is owned by the company;
- (b) the accommodation has been taken on rent by the company at ₹ 6,000 p.m.

34. Write the name of the allowances which are taxable under income from salaries.

35. Mr. Goswami is the owner of a residential house in Silchar. The house is let-out. The municipal value of the house is ₹ 80,000 and the fair rent is ₹ 90,000. Monthly rent of the house is ₹ 5,000. Expenses relating to the house are—

- (i) municipal tax ₹ 2,000;
- (ii) collection charges ₹ 1,500;
- (iii) fire insurance premium ₹ 2,500;
- (iv) ground rent ₹ 600;
- (v) interest on mortgage ₹ 3,000.

The interest on loan taken for the construction of the house is ₹ 10,000 for the previous year.

Determine taxable income from house property of Mr. Goswami for the Assessment Year 2021-2022.

36. Explain the incomes which are exempted from income from house property.

37. Mr. P. Sarkar inherited a residential house from his mother on 1st April, 2009 which was purchased by her on 20th October, 1999 for ₹ 3,20,000. He had spent ₹ 1,10,000 for the improvement of the house on 15th March, 2012. He also purchased a residential house for ₹ 6,10,000 on 17th January, 2018. He sold the house inherited from his mother on 28th January, 2019 for ₹ 18,80,000. The house was sold through a broker who charged a brokerage of 2%. The fair market value of the property on 1st April, 2001 is ₹ 10,40,000.

Compute the taxable amount of capital gains, if any, for the Assessment Year 2019-2020. (Note : CII for 2001-02 is 100, 2011-2012 is 184 and for the year 2018-2019 is 280.)

38. Explain the procedure for computation of short-term capital gains with its meaning.

39. The following are the particulars of income and loss of an individual under different heads of income. Set-off losses in the Assessment Year 2020-2021 and find out gross total income :

	₹
Income from house property, $x$	5,000
Income from house property, $y$	(-)8,000
Income from interest on securities	20,000
Income from a cycle business	(-)20,000
Profit from speculation business	20,000
Loss from short-term capital asset	6,000
Long-term capital loss	25,000
Long-term capital gain (investments)	21,000

40. Explain the provisions of income regarding set-off and carryforward of losses.

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