

**2022/TDC/ODD/SEM/
COMDSC-302T/345**

TDC (CBCS) Odd Semester Exam., 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*

UNIT—I

1. Answer any three questions from the following : the
1×3=3

(a) What is meant by a 'person' under the Income-tax Act, 1961?

(b) What is 'previous year' under the Income-tax Act, 1961?

(c) Who is liable to pay tax on income?

(d) Give examples of income which are related to land, but are not agricultural incomes.

(2)

2. Answer any *one* question from the following : 2

- (a) Mention the heads of income as per the Income-tax Act, 1961.
- (b) What are the different categories of assesseees according to their 'residential status'?

3. Answer any *one* question from the following : 5

(a) Write short notes on the following : $2\frac{1}{2} \times 2 = 5$

(i) Income deemed to be received in India

(ii) Treatment of agricultural income

- (b) Mr. Murari Mohan Banik, an Indian citizen, leaves India for the first time on 31st May, 2017 and comes back on 15th May, 2020. He again leaves India on 10th June, 2021 to come back on 14th January, 2022. He is living in India since then. Determine his residential status for the previous year, 2021-22.

UNIT—II

4. Answer any *three* questions from the following : $1 \times 3 = 3$

- (a) When can an employee be considered as specified employee for income-tax purpose?

(3)

- (b) Who is not entitled to deduction for entertainment allowance?

(c) What do you mean by allowance?

- (d) Name the deductions allowable under the head 'salaries'.

5. Answer any *one* question from the following : 2

- (a) Name any two facilities which are taxable for all employees.

- (b) Mention any two perquisites which are taxable for all employees.

6. Answer any *one* question from the following : 5

- (a) Sri Pinak Pani Hoom Choudhury, an employee of APDCL, Silchar, furnishes the following particulars of his income for the previous year, 2021-22 :

Details	Amount (₹ p.m.)
Basic salary	40,000
Dearness allowance	15,000
Lunch allowance	1,000
Medical allowance	500
City compensatory allowance	300
House rent allowance	4,000
Project allowance	1,000
Deputation allowance	1,200

Sri Pinak Pani Hoom Choudhury resided in his own house at Silchar.

(4)

Compute the gross income from salary of Sri Pinak Pani Hoom Choudhury for the Assessment Year, 2022-23.

- (b) Mr. Subit Dutta is in receipt of annual salary of ₹ 2,00,000. He is provided with a furnished accommodation at Gurgaon (population is 11 lakhs) for which his employer pays a rent of ₹ 4,000 per month and deducts ₹ 1,000 per month for employee's salary. The cost of furnishing of the residence amounts to ₹ 30,000.

Calculate the value of perquisite if house is occupied for 9 months only.

UNIT—III

7. Answer any *three* questions from the following : 1×3=3

- (a) In how many installments, pre-construction period interest of loan taken for house property can be claimed as deduction?
- (b) What is the rate of standard deduction u/s 24?

(5)

- (c) State the head of income under which lottery income is taxable.
- (d) Gifts from relatives are exempt or taxable?

8. Answer any *one* question from the following : 2

- (a) List out any four exempted house property incomes.
- (b) What is income from other sources?

9. Answer any *one* question from the following : 5

- (a) From the following particulars relating to the house property of Trishadri Banik for the previous year, 2021-22. Compute the net annual value :

Details	Amount (₹)
Municipal value (p.a.)	3,000
Standard rent (p.a.)	27,000
Fair rent (p.a.)	33,000
Actual rent (p.m.)	3,000

Date of completion—30th June, 2021

Date of letting—1st August, 2021

Municipal tax paid by the owner ₹ 1,000 during the year.

Municipal tax paid by the tenant ₹ 500 on 25.03.2022.

(6)

(b) Mrs. Amrita Dutta received the following gifts during previous year, 2021-22 :

- (i) She received a gift in cash of ₹ 20,000 from her uncle on 30.06.2021
- (ii) She received a cheque of ₹ 30,000 as a gift from her brother on 10.11.2021
- (iii) She received a gift of ₹ 21,000 on her wedding from Mr. Paul on 01.12.2021
- (iv) She received ₹ 25,000 as gift from her non-resident friend Mr. Das on 30.12.2021
- (v) She received a gift of ₹ 51,000 from her sister-in-law
- (vi) She received ₹ 5,000 from Mr. Saha, her non-resident friend on 15.02.2022

Calculate the amount of taxable gifts chargeable under the head 'other sources'.

UNIT—IV

10. Answer any *three* questions from the following : 1×3=3

- (a) State the position of Income-tax Law on illegal business.

(7)

- (b) Under which head export incentives received are taxable?
- (c) What does 'CII' stand for?
- (d) What is the tax rate application on long-term capital gain on transfer of plot?

11. Answer any *one* question from the following : 2

- (a) List out any four incomes taxable under the head—'profits and gains of business or profession'.
- (b) Explain the formula to calculate indexed cost of acquisition.

12. Answer any *one* question from the following : 5

- (a) The following is the Profit and Loss A/c of Mr. Amrit Lal Ghosh for the year ending 31st March, 2022 :

Profit and Loss A/c

Dr.				Cr.
Particulars	₹	Particulars		₹
To Staff Salary	94,000	By Gross Profit		4,45,900
" Advertisement	12,600	" Commission		4,400
" Bad Debts				
Written-off	3,400	" Rent of Building		24,000
" Fire Insurance				
Premium (House Property)	2,100	" Sundry Receipts		1,200

(8)

Dr.	₹	Particulars	Cr.	₹
To General Expenses	23,400	By Profit on Sale of Investment	9,000	
" Expenses on the Occasion of Diwali	6,900			
" Interest on Capital	8,000			
" Interest on Bank Loan Paid	7,800			
" Repairs and Maintenance	11,700			
" Depreciation	24,000			
" Net Profit	2,90,600			
	<u>4,84,500</u>			<u>4,84,500</u>

Compute the taxable profits from business.

The amount of depreciation allowable as per Income-tax Rule is ₹ 21,000.

(b) Find out the indexed cost in following cases (separately for each case) for the Assessment Year, 2022-23 :

(i) Cost of plot acquired by 2006-07 for ₹ 80,000

(ii) Cost of house purchased in 1998-99 for ₹ 90,000. Fair market value on 01.04.2001 being ₹ 1,50,000

(iii) Cost of house purchased in 1996-97 for ₹ 2,00,000 but fair market value on 01.04.2001 being ₹ 4,00,000 [CII for 2001-02 = 100; for 2006-07 = 122 and for 2021-22 = 317]

(9)

UNIT—V

13. Answer any *three* questions from the following : 1×3=3

- (a) What is the other name of clubbing of income?
- (b) Which Section of the Income-tax Act deals with the provisions of set-off and carry forward and set-off of losses?
- (c) What does NPS stand for?
- (d) State the Section under which relief of tax is granted.

14. Answer any *one* question from the following : 2

- (a) Explain deduction u/s 80C for LIC premium.
- (b) State the various incomes for which relief u/s 89(1) is granted.

15. Answer any *one* question from the following : 5

- (a) Explain the tax treatment of various deemed incomes prescribed u/s 68 to 69D.
- (b) Discuss the various important points regarding the claim of deductions u/s 80.

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