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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2018

Sixth Semester

Core Course—INCOME TAX ASSESSMENT AND PROCEDURE

(For the Optional Stream Finance and Taxation of Model I and Model II B.Com. and U.G.C. Sponsored B.Com. Taxation)

[2013 Admission onwards]

Time : Three Hours

Maximum Marks : 80

Part A

*Answer all the questions.
Each question carries 1 mark.*

1. What is TDS ?
2. What do you mean by carry forward of losses ?
3. What is incidence of tax ?
4. What are direct taxes ?
5. What is BOI ?
6. What do you mean by Assessment Year ?
7. What is PAN ?
8. What are the types of capital gain ?
9. What is Gross Total Income ?
10. What is bonus share ?

(10 × 1 = 10)

Part B

*Answer any **eight** questions.
Each question carries 2 marks.*

11. What do you mean by bond washing transactions ?
12. Distinguish between tax evasion and tax avoidance.
13. What is the difference between average rate and marginal rate ?
14. Explain treatment of minor's income under the given scenario :
 - (i) Minor's income derived out of winning in a musical reality show.
 - (ii) Minor's income derived out of grandfather's gift.

Turn over

15. What do you mean by deemed income ?
16. What is tax clearance certificate ?
17. What do you mean by return of income ?
18. What do you mean by belated return ?
19. What is cost inflation index ?
20. What is Section 54.F under capital gain ?
21. State the grossing up of interest on securities.
22. What is with limit donation ?

(8 × 2 = 16)

Part C

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

23. Explain the powers of CBDT.
24. Explain the deduction under Section 80 U.
25. Differentiate long term capital gain and short term capital gain.
26. Explain different types of assessment.
27. Explain any *five* capital gains exempt from tax ?
28. What are the merits of advance payment of tax ?
29. The following are the income of Ms. Suseela :

	Rs.
Gross Total Income	... 5,70,000
Contribution to RPF	... 10,000
Subscription to NSC (VIII Issue)	... 40,000
Medical insurance premium by cheque-	... 20,000
Donation to an approved charitable trust	... 60,000

Compute total income.

30. Mr. Mohan purchases a house property for Rs. 40,000 on 10th May 1964. He gets the first floor of the house constructed in 1968-69 by spending Rs. 80,000 He dies on 12th September 1984. This property is transferred to Mrs. Mohan by his will Mrs. Mohan spends Rs. 44,000 during 1985-86 for renewals and reconstruction of the property. Mrs. Mohan sells the house property for Rs. 18,00,000 on 15th March 2017 (brokerage paid by Mrs. Mohan is Rs. 18,000). The fair market value of the house on 1st April 1981 is Rs. 1,20,000.

Find out the amount of Capital Gain for the A.Y. 2017-18.

Cost inflation index for 1981-82 = 100, 1985-86 = 133 and 2016-17 = 1125.

31. A Tax Consultant, based at Bombay earns the following income :

	Rs.
Salary	4,00,000
Income from business	2,50,000
Interest on bank deposit	50,000

He pays Rs. 2,40,000 in PPF.

Compute his Taxable Income for the Assessment Year 2017-18.

(6 × 4 = 24)

Part D

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

32. Explain the steps applicable to the computation of total income and tax liability of individuals.

33. The following are the particulars of income of R for the Previous Year 2016-17 :

	Rs.
(a) Income from house property	1,11,200
(b) Business income	80,000
(c) Dividends from co-operative society	500
(d) Long Term Capital Gain from :	
(i) Land	1,27,000
(ii) Listed share sold through a recognized stock exchange....	15,000
(e) Life Insurance Premium on his life policy of Rs. 3,00,000	28,000
(f) Donation to charitable institution approved u/s 80 G	20,000
(g) Deposit in National Saving Scheme ,1992	12,500
(h) Interest accrued on NSC VIII	1,840
(i) Interest on savings bank deposit	30,000

Compute his total income payable for the Assessment Year 2017-18.

34. Calculate income from other sources :

- Rent from letting out plant and machinery, building and furniture—Rs. 42,000
- Winnings from lottery- (net)—Rs. 70,000.
- Interest on debentures received—Rs. 27,000.
- Dividend from foreign company—Rs. 23,000.
- A credit in passbook, the source of which cannot be explained—Rs. 60,000.
- Agriculture income in India—Rs. 12,000.
- Income from mutual fund—Rs. 6,000.

Turn over

35. Ms. Ambika Devi , aged 66 years , gives the following information. Compute her tax liability.

		Rs.
Long term capital gain	...	60,000
Business Income	...	1,80,000
Interest on bank deposits	...	1,89,000

She had contributed Rs. 40,000 to PPF and Donated Rs. 25,000 to the Chief Minister's Relief Fund.

(2 × 15 = 30)