

20000077



20000077



Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, MAY 2020

Fourth Semester

Faculty of Commerce

DT 04C 17—DIRECT TAXES : ASSESSMENT AND PROCEDURES

(2012 Admission onwards)

(Common to All Branches)

Time : Three Hours

Maximum Weight : 30

Section A

Answer any five questions.

Weight 1 each.

1. Define widely held company.
2. What do you mean by Defective Return of Income ?
3. When does the claim for refund arises ?
4. What are the consequences of failure to collect or to pay the tax ?
5. How does the partition of HUF affect the assessment of income ?
6. Which are the appellate authorities as provided in the Income Tax Act ?
7. What is the difference between double taxation relief and double taxation avoidance ?
8. X, Y and Z are partners of a firm with equal shares. The P&L A/c. for the year ended 31-3-2016 shows a net profit of Rs. 2,80,000 after debiting Rs. 7,000 for interest paid to X at 20 %, Rs. 60,000 for salary paid to Y and Rs. 44,000 for rent of the business premises paid to Z. Compute Book Profit of the firm. The firm fulfils the conditions of Section 184.

(5 × 1 = 5)

Section B

Answer any five questions.

Weight 2 each.

9. Discuss in detail provisions of Minimum Alternate Tax u/s. 115JB.
10. Explain briefly the powers of CBDT.

Turn over





20000077

11. What do you understand by PAN ?
12. Describe briefly the procedure of an appeal to the Commissioner (Appeals).
13. Mr. X, a resident of India, provides you the following particulars of his income for the AY 2016-19 :

	Rs.
Interest on Government securities ...	25,000
Income from house property ...	70,000
Business Income ...	4,40,000
Foreign Income ...	1,00,000
Income tax paid on foreign income ...	20,000

Compute Income Tax payable in India.

14. Mr. D is an employee of a Company at Udaipur (population exceeding 25 lakhs). He would receive the following during financial year 2016-17 :

Salary — Rs. 9,60,000. Dearness Allowance — Rs. 2,40,000. Bonus — Rs. 80,000. Children education allowance — Rs. 150 p.m. for one child. Rent free house - FRV — Rs. 1,50,000. His annual contributions to PF — Rs. 96,000. He has paid LIC premium of Rs. 12,000. Donation to Prime Ministers National Relief Fund — Rs. 10,000.

Compute his Income from Salary liable to deduction of tax at source and the amount of tax to be deducted.

15. Joshi, Resident of India and aged 82 years has estimated the following taxable incomes for the financial year 2016-17 :

	Rs.
Income from business ...	12,00,000
LTCG on 10-10-2016 ...	25,000
Interest (gross) from a branch of PNB (FDR) ...	20,000
Dividend ...	3,000
Interest on Savings Bank A/c. ...	6,000
	<hr/>
	12,54,000

He will pay LIC premium on his own life — Rs. 25,000. Deposit in PF — 70,000 ; Paid to PM Relief Fund by cheque — Rs. 25,000 ; Health Insurance Premium paid in cash — Rs. 2,000. Determine the amount payable as advance tax on prescribed dates during financial year 2016-17.





20000077

16. The P & L A/c. of M/s. PQ a partnership firm of P and Q for the year ending 31st March, 2016 is given below :

	Rs.		Rs.
Stock ...	30,000	Sales ...	9,50,000
Purchases ...	1,50,000	Stock (Closing) ...	25,000
Penalties and fines ...	59,000	Rent from house property ...	12,000
Office expenses ...	6,000		
Selling expenses ...	8,000		
Interest to Partner P ...	6,000		
Net Profit	7,28,000		
	<u>9,87,000</u>		<u>9,87,000</u>

Interest of Rs. 6,000 @ 8% has been paid to P on Capital.

Penalties and fines have been levied because of illegal sale and purchase of goods.

Remuneration payable to partners as per deed : P – 4,00,000, Q – 2,00,000. The amounts have not been debited to P&L A/c.

P and Q are equal partners in the firm.

Compute tax payable by the firm and total Income of Partners.

(5 × 2 = 10)

Section C

Answer any **three** questions.

Weight 5 each.

17. Explain briefly the provisions of Income Tax Act in respect of regular assessment.
18. (a) What does you understand by the concept tax planning ?
- (b) Salary — Rs. 15,000 p.m. ; D.A. — 2,000 p.m. (as per the terms of employment) ; Commission — 20,000 p.a. ; Employee is given the option to accept rent free house for which employer is paying a rent of Rs. 4,000 p.m. or a cash H.R.A. of Rs. 4,000 p.m. ; Rent paid by employee is Rs. 5,000 p.m. Give necessary suggestions.
19. Briefly explain the situations where penalty is imposable under IT Act.

Turn over





20000077

Other Expenses include :

Entertainment expenses Rs. 35,000 ; Wrist watches of Rs. 2,500 each given to 12 dealers, who exceeded the sales target ; employers contribution Rs. 6,000 to the provident fund, Rs. 30,000 paid in cash.

Outstanding sales tax penalty was imposed for not filing sales tax return in time. A and B had income from other sources Rs. 3,00,000 and Rs. 82,000 respectively.

Compute Total Income and tax liability of AOP for the year. Also compute the tax payable by A and B for the year.

22. K Ltd. furnishes the following particulars. Compute the total income of the company and tax payable for the AY 2016-17 :—

- 1 Net income Rs. 35,00,000 after debiting penal interest of Rs. 50,000 paid for delayed payment of sales tax and interest of Rs. 2,00,000 paid on fixed deposits from public.

The following adjustments are required :—

Depreciation (current year) — Rs. 1,50,000.

Unabsorbed depreciation of the AY 2012-13 Rs. 11,00,000, unabsorbed business loss brought forward Rs. 24,00,000.

- 2 STCG on sale of shares (investment) — Rs. 1,00,000.
- 3 LTCG on sale of a building — Rs. 2,50,000.
- 4 Brought forward Short Term Capital loss — Rs. 40,000.
- 5 Brought forward LTC loss of the year 2013-14 — Rs. 60,000.
- 6 Gross interest from Govt. Securities — Rs. 1,75,000.
- 7 Bank commission for realizing the interest — Rs. 8,000.

(3 × 5 = 15)

