



K21U 1594

Reg. No. :

Name :

**V Semester B.Com. Degree (CBCSS – Sup./Imp.)
Examination, November 2021
(2015 – '18 Admns.)
Core Course
5B13 COM – INCOME TAX LAW AND PRACTICE – II**

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. _____ refers to reduce tax liability by applying loopholes of law.
2. PAN stands for
3. Employer's contribution to RPF in excess of _____ is included in the taxable salary of employee.
4. Surcharge is applicable on companies only when the total income exceeds (4×½=2)

PART – B

Answer **any four** questions. **Each** carries **one** mark.

5. What is meant by Aggregation of income ?
6. What is meant by intra-head set-off ?
7. Mention any two "without limit donations" on which 50% deduction is allowed.
8. What is Marginal Relief ?
9. What is protective assessment ?
10. Mention any two situations where minor's income is not clubbed with the income of the parent. (4×1=4)

PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** carries **three** marks.

11. What are the important rights and duties of an Assessing Officer ?
12. Mention any six situations where set off of losses are not applicable.

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13. List the companies in which public are substantially interested.
14. A firm of advocates furnishes the following incomes and expenditures for the year ended 31-03-2020.

Income and Expenditure Account for the year ended 31-03-2020

Particulars	Rs.	Particulars	Rs.
Donations	15,000	Consultancy charges	4,26,000
Salary to Clerk	85,000	Special fee	38,000
Expenses	1,94,500	Miscellaneous Income	9,500
Interest to partners	60,000	Net Loss	2,91,000
Depreciation of car	70,000		
Remuneration to partners	3,40,000		
	7,64,500		7,64,500

On scrutiny of the records, the following matters were disclosed :

- a) Of the expenses, Rs. 93,500 are not genuine.
- b) Allowable depreciation is only Rs. 32,000.
- c) Interest is allowed to partners @ 20%.
- d) Salary to clerk is not admissible to the extent of Rs. 24,000.

Compute total income of the firm for the A.Y 2020 – 21.

15. Compute the tax liability of a co-operative society whose total income for the P.Y 2019 – 20 is Rs. 1,01,000.
16. Compute the GTI of Mr. Sundar for the P.Y. 2019 – 20 :
- | | |
|---|--------------|
| a) Income from house property | Rs. 1,40,000 |
| b) Long term capital gains | Rs. 60,000 |
| c) Business loss | Rs. 65,000 |
| d) Current year's depreciation | Rs. 8,000 |
| e) Unabsorbed depreciation of preceding years | Rs. 24,500 |
| f) Short term capital loss | Rs. 32,000 |
17. State the important rules relating to deduction of tax at source in case of salary.
18. What are the two important conditions to be satisfied for integrating agricultural income with non-agricultural income for tax purposes ? **(6×3=18)**



PART – D

Answer **any two** questions. **Each** carries **eight** marks.

19. Mr. Niranjan furnishes the following details of his income during the financial year 2019 – 20 :

Salary Rs. 8,000 per month, travelling allowance for tour Rs. 500 per month, medical allowance Rs. 500 per month, helper allowance Rs. 4,000 per month. He appointed a helper and paid Rs. 2,000 per month. During the year he received commission Rs. 62,000 from the employer. He contributes 15% of his salary to an unrecognised provident fund to which his employer makes equal contribution. He has the following investments and other incomes :

- a) Rs. 10,00,000 in 10% three year fixed deposit in a bank.
- b) Rs. 31,500 received as interest on debentures of a company (not listed).
- c) Rs. 8,000 received as dividend on preference shares of an Indian company.

He owns a house, half of which is occupied by him and the other half is let out at the rate of Rs. 2,000 per month. Insurance premium of Rs. 250, ground rent Rs. 150 and local taxes Rs. 1,200 were incurred for this house.

He has a minor daughter who is physically handicapped with severe disability.

Compute the tax liability of Mr. Niranjan for the A. Y 2020 – 21.

20. ABC Ltd. is a company in which public are substantially interested. During the year ending 31-03-2020, the company earned the following incomes. The total turnover of the company is Rs. 3,00,00,000.

- a) Profit from tile manufacturing Rs. 1,45,000
- b) Profit from trading activities Rs. 1,95,000
- c) Profit from agency business Rs. 35,000
- d) Profit from hotel business Rs. 1,72,000
- e) Dividend from a foreign company Rs. 12,000
- f) The company passed a design to a foreign company and received royalty thereof in India Rs. 2,50,000 in convertible foreign exchange.
- g) The company has distributed interim dividend in November 2019 Rs. 1,50,000.
- h) The unabsorbed depreciation in respect of tile manufacturing unit brought forwarded to this year is Rs. 10,000.

Compute the tax liability of ABC Ltd. for the A.Y. 2020 – 21.

21. What do you mean by assessment ? Explain briefly different types of assessment.

(2×8=16)