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Enrollment No.....



Faculty of Commerce
End Sem (Odd) Examination Dec-2018
CM3CO15 Income Tax Laws and Practice

Programme: B.Com.(Hons) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. The agricultural income is : **1**
(a) Exempt u/s 10 (b) Not Exempt
(c) None of these (d) All of these
- ii. Following is a head of income: **1**
(a) Income from salary (b) Income from interest
(c) Income from dividend (d) Income from lottery
- iii. Deduction not allowed against gross salary: **1**
(a) Professional Tax (b) Standard Deduction
(c) Income Tax (d) None of these
- iv. Meaning of salary, regarding house rent allowance is **1**
(a) Salary + bonus
(b) Salary + dearness allowance (under terms of service) + commission on sales
(c) Salary + all taxable allowances
(d) Salary + commission
- v. Capital gain on 4 year old asset is always: **1**
(a) Short term (b) Long term (c) Tax free (d) None of these
- vi. When any Assessee sold an assets which is used by him **1**
more than 36 months following are indexed:
(a) Cost of Acquisition (b) Selling Price
(c) Transfer Expenses (d) None of these
- vii. Deduction under section 80C is available for: **1**
(a) Tuition Fee (b) Donation
(c) Medical Insurance (d) Charity

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- viii. Speculative loss can be set off to the extent of: **1**
(a) 2 years (b) 4 years (c) 8 years (d) No time limit
- ix. Section 143 (1) relates to: **1**
(a) Self Assessment (b) Best Judgment Assessment
(c) Summary Assessment (d) None of these
- x. Minimum penalty for delay in filing return of income by individuals: **1**
(a) Rs. 1000 (b) Rs. 2000 (c) Rs. 5000 (d) None of these
- Q.2 i. Explain Financial Year & Assessment Year as per Income Tax Act. **4**
ii. Explain what is agricultural income and how is it taxable? **6**
OR iii. Explain Gross Total Income with the help of an example. **6**
- Q.3 i. Discuss rule regarding exemption of house rent allowance and give an example **4**
ii. An employee gets salary of Rs. 20000 per month & incentive equal to three months salary, apart from this he also get following allowances and facilities. **6**
(a) Free meal daily costing Rs. 40 per day for 200 working days.
(b) Free gas costing annually Rs. 6000.
(c) Dearness Allowances annually Rs. 12000.
(d) Hostel Allowance Rs. 300 per month for three children.
(e) Education allowance for three children Rs. 9000 per annum.
Compute his taxable salary for the AY 2018-19.
- OR iii. Compute taxable income from house property from given **6**
information which is fully let out:
Fair rent Rs. 8000 per month.
Actual rent Rs. 9000 per month.
Municipal Valuation Rs. 7000 per month.
Standard Rent Rs. 10000 per month.
Municipal Tax due but not paid Rs. 5000 for the year.
Interest paid for construction Rs. 120000.
Security Charges Rs. 5000.
Maintenance Expense Rs. 10000.

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- Q.4 i. Explain any two exemptions of capital gains. **4**
ii. Explain any six expenses which are deductible for calculating income from business or professions. **6**
OR iii. Explain any six provisions of section 54 regarding exemption of Capital gains. **6**
- Q.5 i. Write provision related to deduction of amount donated under section 80G & payment of interest on loan taken for higher studies under section 80E. **4**
ii. Name any ten types of investments eligible under section 80 C. Explain provisions related to any five of them briefly. **6**
OR iii. State the provision related to set off & carry forward of losses for the:
(a) Speculative Losses (b) Capital Gains **6**
- Q.6 i. Explain the provision of income tax relating to appeals. **4**
ii. Discuss the provision regarding any three types of assessment. Under income tax. **6**
OR iii. Explain powers of any three income tax authorities. **6**

Marking Scheme
CM3CO15 Income Tax Laws and Practice

Q.1	i.	The agricultural income is :		1
		(a) Exempt u/s 10		
	ii.	Following is a head of income:		1
		(a) Income from salary		
	iii.	Deduction not allowed against gross salary:		1
		(c) Income Tax		
	iv.	Meaning of salary, regarding house rent allowance is		1
		(b) Salary + dearness allowance (under terms of service) + commission on sales		
	v.	Capital gain on 4 year old asset is always:		1
		(b) Long term		
	vi.	When any Assessee sold an assets which is used by him more than 36 months following are indexed:		1
		(a) Cost of Acquisition		
	vii.	Deduction under section 80C is available for:		1
		(a) Tuition Fee		
	viii.	Speculative loss can be set off to the extent of:		1
		(b) 4 years		
	ix.	Section 143 (1) relates to:		1
		(c) Summary Assessment		
	x.	Minimum penalty for delay in filing return of income by individuals:		1
		(c) Rs. 5000		
Q.2	i.	Financial Year	2 marks	
		Assessment Year	2 marks	4
	ii.	Meaning of agricultural income	3 marks	
		Taxability	3 marks	6
OR	iii.	Gross Total Income meaning	3 marks	
		Example.	3 marks	6
Q.3	i.	Rule regarding exemption of house rent allowance	3 marks	4
		Support by example	3 marks	
	ii.	Compute his taxable salary for the AY 2018-19.		6
		One mark for each correct amount	(1 mark * 6)	

OR	iii.	Gross Annual Value	2 marks	6
		Net Annual Value.	2 marks	
		Taxable Income from House Property	2 marks	
Q.4	i.	Any two exemptions of capital gains.		4
		2 marks for each exemption	(2 marks * 2)	
	ii.	Any six expenses which are deductible for calculating income from business or professions	1 mark for each expenses	6
			(1 mark * 6)	
OR	iii.	Any six provisions of section 54 regarding exemption of Capital gains	1 mark for each provisions	6
			(1 mark * 6)	
Q.5	i.	Provision related to deduction of amount donated under section 80G	2 marks	4
		Payment of interest on loan taken for higher studies under section 80E	2 marks	
	ii.	Any ten types of investments eligible under section 80 C	1 mark	6
		Explanation	1 mark for each (1 mark * 5)	5 marks
OR	iii.	State the provision related to set off & carry forward of losses for the:		6
		(a) Speculative Losses	3 marks	
		(b) Capital Gains	3 marks	
Q.6	i.	Provision of income tax relating to appeals.		4
		1 mark for one point	(1 mark * 4)	
	ii.	Provision for any three types of assessment. Under income tax.		6
		2 marks for each	(2 marks * 3)	
OR	iii.	Powers of any three income tax authorities.		6
		2 marks for each authority	(2 marks * 3)	
