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Name:

Reg. No.....

FOURTH SEMESTER B.Com. PROFESSIONAL. DEGREE EXAMINATION, APRIL 2019

(CUCBCSS-UG)

CC17U BCP4 B02 - BUSINESS AND CORPORATE TAXATION

B.Com Professional - Core Course

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries 1 mark

I. Fill in the blanks:

1. In the case of a company other than a domestic company, surcharge rate under Income Tax 1961 is _____, if total income exceeds ten crore rupees.
2. The due date under Income Tax Act 1961, for filing of return of income of a company and for taxpayers where audit is required is _____ of the assessment year.
3. The overall amount of deduction under section 80C is Rs. _____.
4. The calculated amount left after deductions under chapter VI A is called as _____.
5. Interest on loan paid prior to the completion of house shall be allowed as deduction in _____ instalments.

II. Choose the correct answer:

6. Income tax in India is charged at the rates prescribed by
(a) The Finance Act (b) The Income Tax Act 1961
(c) Central Board of Direct Taxes (d) The Finance Minister
7. Education cess of 3% is payable on
(a) Income tax (b) Income tax plus surcharge
(c) Surcharge (d) None of these
8. Repayment of principal on loan borrowed from a bank, in respect of purchase of residential house property will be allowed as deduction under section
(a) 80C (b) 80G (c) 80GG (d) 80EE
9. Interest for default in furnishing the Income Tax return is _____ per month for the period from the due date to the date of filing the return
(a) 1% (b) 2% (c) 5% (d) None of these
10. Deduction under section 80P is available to a _____.
(a) Co operative society (b) Domestic company
(c) Foreign company (d) Individual **(10 x 1 = 10 Marks)**

(1)

Turn Over

Part B

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

11. How residential status of a company is determined?
12. What is Minimum Alternative Tax?
13. Write a note on belated return of income as per Sec.139(4) of the Income Tax Act 1961?
14. What is the difference between public and private trust?
15. What is TDS?
16. What is assessment year?
17. What is e-filing?
18. Explain relief under Sec.89 of the Income Tax Act 1961?
19. What are the due dates for payment of advance tax and what percentage of tax is to be paid on such dates?
20. Write a note on rectification of mistakes under section 154 of Income Tax Act?

(8 x 2 = 16 Marks)

Part C (Short Essay Questions)

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

21. What are the rates of tax applicable for a co-operative society?
22. What are the types of assessments specified in the Income Tax Act?
23. What do you understand by Permanent Account Number? What are the consequences for failure to apply for the allotment of a PAN?
24. How is the residential status of an Individual determined?
25. A, B and C are partners of a firm with equal shares. The profit and loss account for the year ended 31-3-2018 shows a net profit of Rs.99,750 after debiting the following as per deed
 - a. Salaries of Rs. 20,000 and Rs. 15,000 to A and B respectively.
 - b. Bonus to C Rs. 15,000.
 - c. Rs. 5,000 for interest on capital to A calculated @ 20%.
 - d. Rs. 10,000 for rent of the business premises paid to B.
 - e. Commission of Rs. 5,000 to C.

Compute book profit and the total income of the firm for the assessment year 2018-19 assuming that all are working partners?

26. What are the types of Income Tax Returns?
27. The book profits of a company in the previous year 2017-18 computed in accordance with Section 115 JB of the Income Tax Act is Rs. 12,00,000. Its total income under the Income Tax Act for the same period is computed at Rs. 3,50,000. Is the company liable to pay "Minimum Alternative Tax"? If yes, how much must be paid?

28. Mr. Amal who is totally blind submits the following information. Compute his total Income.

• Salary per annum	Rs. 240,000
• Rent received from house (p.m)	Rs. 30,000
• Short term capital gain	Rs. 12,000
• Dividend from cooperative society	Rs. 7,000
• Accrued interest on NSC (VIII issue)	Rs. 3,000
• Deposited in PPF	Rs. 10,000
• Paid life insurance premium	Rs. 6,000

29. Under section 40(b) of Income Tax Act what items are disallowed as deduction while computing firm's income from business or profession?

(6 x 4 = 24 Marks)

Part D (Essay questions)

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

30. A domestic company in which public are substantially interested submits the following particulars of its income of the previous year ended March 31, 2018.

(i) Profit of business after deduction of donations to approved charitable institution	Rs. 1,90,000.
(ii) Donation to charitable institution by cheque	Rs. 30,000.
(iii) Interest on Govt. securities	Rs. 10,000.
(iv) Dividend from a domestic company (gross)	Rs. 60,000.
(v) Long term Capital Gain	Rs. 50,000.
(vi) Book profit under section 115 JB	Rs. 8,00,000.

During the financial year 2017-18 the company deposited Rs. 15,000 in Industrial Development Bank of India. The company distributed gross dividend of Rs. 1,00,000 on 6-12-2017.

Compute the taxable income of the company and tax payable by it for the assessment year 2018-19.

31. A, B and C are members of an Association of persons. They share profit and loss equally. During the previous year the income of AOP is Rs. 2,20,000 and the income of A, B and C is Rs. 40,000, Rs. 5,10,000 and Rs. 5,20,000 respectively. Compute tax liability of AOP, A, B and C for the assessment year 2018-19.
32. Discuss the provisions of the Income Tax Act regarding the assessment of cooperative societies.

(2 x 15 = 30 Marks)
