

17. From the following information compute the amount of tax payable by a Partnership firm for the assessment year 2019-2020.

Income from House property(computed)	2,00,000
Income from business	40,00,000
LTCG on sale of an Asset	1,00,000
Income from other source	50,000

The firm is entitled to the following deductions

From its gross total income:

- Under Sec.80 IA 20,00,000
- Under Sec.80 IB 3,50,000

(2 x 6 = 12 Weightage)

(4)

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(Pages: 4)

Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2020

(CUCSS-PG)

CC15P MC3 C12 - INCOME TAX LAW & PRACTICE

(Commerce)

(2015 to 2018 Admissions)

Time : Three Hours

Maximum : 36 Weightage

PART A

Answer *all* questions. Each question carries 1 weightage.

- What is best judgment assessment?
- What is Permanent Account Number?
- What is belated return?
- What is alternative minimum tax?
- Explain the term 'Book Profit' in relation to the assessment of firms.
- What is rebate u/s 86?

(6 x 1 = 6 Weightage)

PART B

Answer any *six* questions. Each question carries 3 weightage.

- What are the provisions of Income Tax Act in respect of income escaping assessment?
- Compute agricultural income on the basis of the following particulars for the assessment year 2019-2020.

	Rs.
Rent of agricultural land	1, 20,000
Land revenue paid to the state government	12,000
Interest on loan taken to purchase agricultural land	20,000
Collection charges on recovery of Agricultural rent	2,000
Interest on arrears of land revenue received from tenant	34,000

- The Karta of a HUF furnishes the following particulars of the income of the assessment year 2019-2020:

1. Interest on securities(gross) (not listed in a recognized stock exchange in India)	2,000
2. Interest on F.D from bank	7,000
3. Income from House property(computed)	18,000
4. Profit from Business	12,54,000
5. Long term capital gain	30,000
Total	13,11,000

(1)

Turn Over

The family paid Rs.12, 000 by way of insurance premium on the policies of its members, and donated Rs.6, 000 by cheque for charitable purpose. Compute tax liability of the HUF.

10. A firm furnished the following particulars for the assessment year 2019-2020:

	Rs.
Loss from business	2, 00,000
Loss from specified business	70,000
Depreciation allowance for the current year	40,000
Income from house property (computed)	4, 00,000
Items carried forward from the earlier years:	
Business loss assessment year 2017-2018	2, 40,000
Depreciation allowance (unabsorbed) for the Assessment year 2018-2019	1, 00,000

Compute the firm's gross total income.

11. R B S College Co-operative Society Ltd., Agra had the following income during the year ended 31st March, 2019.

1. Income from the College Canteen	10,000
2. Income from the merchandise business	43,000
3. Income from credit facilities given to members	8,000
4. Interest on Government securities	10,000
5. Taxable income from house property	6,000
6. Dividend (gross) on shares held in Co-operative society	5,000

Determine gross total income, total income and tax liability of the society for the assessment year 2019-2020.

12. Ram is an employee of the Central Government. He joined on 1st April 2018. From the following information compute tax liability for the assessment year 2019-2020:

Salary including grade pay	5, 00,000
DA as per terms of employment	45,000
HRA (He lives in his own house)	1, 30,000

He and the Government contributed 10% of salary and DA to the pension fund.

He paid Rs.10, 000 as life insurance premium to the LIC.

13. How to compute the income and tax liability of an Association of Persons or Body of Individuals?

14. The total income of an Association of persons in which A, B & C are members, sharing profit and losses in the ratio of 1:2:2 was assessed at Rs.16,000. In computing total income of Rs.16000 the assessing officer has made the necessary adjustments in respect of the following sums:

1. Salaries of Rs.6, 000 and Rs.4000 to A and B respectively.
2. Interest on Capital Rs.7000, Rs.10, 000, Rs.25, 000 to A, B and C respectively.
3. Commission of Rs.1, 000, Rs.3, 500 and Rs.4, 500 to A, B and C respectively.
4. Bonus of Rs.1, 000, Rs.1, 500 and Rs.2, 500 to A, B and C respectively.

C has borrowed capital for investment in the AOP and had paid interest of Rs.15, 000 separately to the lender. Members do not have any other income. Allocate the income amongst the members.

(6 x 3 = 18 Weightage)

PART C

Answer any *two* questions. Each question carries 6 weightage.

15. What are the various authorities envisaged in the Income tax law and what are their functions?

16. For the assessment year 2019-2020, Mr. Rajesh of Delhi submits the following particulars.

Basic Salary	24,000
Project allowance	1,30,000
High cost of living allowance	24,000
Commission (1% on turnover, turnover achieved by Mr.Ramesh Rs.6,00,000)	6,000
House rent allowance (rent paid Rs.12, 000)	8,000
Profits and gains of processing vegetables (business set up in April 2011)	14,000
Profit from publication of books	70,000
Income from Mutual fund units transferred to wife without consideration on 1 st June 2017	2,000
Profit from poultry farming	2,27,000
Profit from Mushroom business	18,000
Agricultural income	12,000
Payments Donation for scientific research	800
Interest on money borrowed to pay Income tax	1,200
Expenses incurred in connection with filing income tax Appeals	800
Insurance premium on the life of Mrs. Ramesh (policy is taken by HUF of Ramesh, sum assured Rs.14,0000)	14,000

Determine the total income of Mr. Ramesh for the assessment year 2019-2020.