

THIRD SEMESTER M.Com. DEGREE EXAMINATION, DECEMBER 2015

(CUCSS)

MC 3C 13—INCOME TAX LAW AND PRACTICE

Time : Three Hours

Maximum : 36 Weightage

Part A

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

1. What do you mean by an Assessee ?
2. Define Direct Tax code.
3. What is partly agricultural income ?
4. What do you understand by aggregation of income ?
5. What are the charitable donations ?
6. Differentiate between Tax management and Tax Planning.

(6 × 1 = 6 weightage)

Part B

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

7. What are the provisions governing the set-off of losses ?
8. Explain the illustrate the term 'Book Profit' in relation to the assessment of firms.
9. Explain the provisions for payment of tax by companies u/s 115JB.
10. Mr. Chand transfers his self-acquired property yielding an annual income of Rs. 2,00,000 to his it UF consisting of Chand, Mrs. Chand his major son Ravi and minor son Ram. How the income is treated under IT Act, 1961 ? If the family is partitioned equally compute the income of members.
11. From the following information of a trader compute the gross total income for the assessment year 2013-14.

(i) Income from House Property (Computed)	...	2,50,000
(ii) Business Loss	...	60,000
(iii) Current year's Depreciation	...	10,000
(iv) Business Loss of preceding years	...	50,000
(v) Unabsorbed Depreciation of proceeding years	...	30,000
(vi) Short-term capital Loss	...	40,000
(vii) Long-term capital gains	...	50,000

Turn over

12. (a) Gross Total Income of Sita is Rs. 6,75,000.
 (b) She deposited in RPF Rs. 50,000.
 (c) She paid donation to a political party Rs. 10,000 and prime minister National Relief Fund Rs. 15,000 by cheque.
 (d) She paid medical insurance premia on the health of her spouse Rs. 17,000 by cheque. compute her total income for A.Y. 2013-14.

13. Mr. Satheesh has the following income for the previous year ended 31st March, 2013 :

(a) Business profits	...	3,50,000
(b) Short term capital Gains	...	12,000
(c) Long-term capital Gains relating to hand 8 buildings	...	18,000
(d) Long-term capital Gains relating to other capital Aids	...	10,000
(e) Compensation for loss of agency	...	24,000
(f) Long-term capital loss on sale of an asset	...	16,000

Compute the total Income of Mr. Satheesh for the A.Y. 2013-14.

14. You are required to compute the net tax or tax refundable, if any, from the following particulars for the assessment year 2013-14.

Salary Rs. 5,00,000.

D.A. Rs. 72,000

Rent of property Rs. 50,000. Interest received on time deposit with central Bank of India Rs. 27,000. He contributed to Recognised provident Fund @10 % of his salary and paid Rs. 9,000 premium on his life insurance policy.

15. From the particulars given below compute the tax liability of Mr. Abraham (a senior citizen) for the A.Y. 2013-14.

(a) Income from agricultural Rs. 69,400.

(b) His business profit for the year Rs. 10,30,600.

(6 × 3 = 18 weightage)

Part C

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

16. What are the various authorities envisaged in the Indian Income Tax Law and what are their functions ?
17. From the following information compute the tax payable by Z and co. keeping in view the provisions of MAT u/s 115JB for the Assessment year 2013-14.

Profit and Loss Account

(a) Expire lated to sales	...	23,20,000	Sales	...	30,00,000
Security transaction tax paid			LTCG [Exempt u/s 10 (38)]	...	2,00,000
tax paid relating to LTCG	...	5,000	Interest on Government		
Depreciation	...	1,50,000	Security	...	25,000
Proposed dividend	...	2,50,000			
Income-tax	...	1,00,000			
Net profit	...	4,00,000			
		<u>32,25,000</u>			<u>32,25,000</u>

- (b) The company revalued its assets from Rs. 3,00,000 to Rs. 6,00,000 and provided depreciation on Rs. 6,00,000 @ 25 %. The depreciation allowable under the Income-Tax Act is Rs. 80,000.
- (c) B/F loss as per books of account Rs. 2,00,000.
- (d) S/F depreciation as per books of account Rs. 50,000.
- (e) B/F unabsorbed depreciation Rs. 1,00,000.
18. The following are the particulars of income of an assessee.

	2009-10	2010-11	2011-12	2012-13
	Rs.	Rs.	Rs.	Rs.
Profit before Depreciations	(-) 40,000	45,000	52,000	60,000
Depreciation for the year	17,000	15,000	15,000	18,000
Deposits to Tea			20,000	
Development Account other taxable income		58,000		27,000

Work out the amount to be set-off or carried forward in each of the above four years appending explanatory notes.

(2 × 6 = 12 weightage)