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Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2018

(Regular/Supplementary/Improvement)

(CUCSS - PG)

CC15P MC3 C12 - INCOME TAX LAW & PRACTICE

(Commerce)

(2015 Admission onwards)

Time : Three Hours

Maximum : 36 Weightage

PART AAnswer *all* questions. Each question carries 1 weightage.

1. What do you understand by aggregation of income?
2. Who can be a partner of a firm?
3. What do you mean by Best Judgment Assessment?
4. What is CBDT?
5. What is the maximum amount of deduction allowed under Section 80 D?
6. What do you mean by bond washing transactions?

(6 x 1 = 6 Weightage)**PART B**Answer any *six* questions. Each question carries 3 weightage.

7. Briefly explain any three types of assessment of income.
8. How to claim deduction on donation given to an organization registered under section 80G?
9. Which are the conditions to be satisfied to consider the income from land as agricultural income for taxation purposes?
10. Compute tax liability of Mr. X who has agricultural income of Rs 90000 and non-agricultural income of Rs 760000.
11. A, B and C are partners of a firm with equal shares. The profit and loss account for the year ended 31-03-2017 shows net profit of Rs 99750 after debiting the following as per deed.
 - a) Salaries of Rs 20000 and Rs 15000 to A and B respectively.
 - b) Bonus to 'C' Rs 15000.
 - c) Rs 5000 for interest on capital to 'A' calculated @ 20%.
 - d) Rs 10000 for rent of the business premises paid to 'B'.
 - e) Commission of Rs 5000 to 'C'.

Compute Book Profit of the firm for the AY 2017-18, assuming that it is a professional firm and all are working partners.

(1)

Turn Over

16. The following details have been supplied by the Karta of a HUF. Compute the total income for the A.Y 2017-18:

	Rs
Profit from business	590000
Salary received by a member of HUF	10000
Director's fees received by Karta	8000
Rent from let out property	20000
Municipal taxes paid	1000
Annual municipal value of the joint family house	18000
Municipal taxes paid	1000
Interest on loan for construction of house	20000
Interest	5000
Long-term capital gains from transfer of buildings	10000
Profit from an AOP (1/4th share)	10000
Dividend from companies (Gross)	10000
Donation to N.D.F	5000
Medical Insurance Premium on the health of the members of the family paid by cheque	6000
Premium paid on LIC policies	19000

17. The following particulars are of taxable income under the various heads of Mr. Tom for the previous year 2016-17:

	RS
Income from house property	18000
<i>Income from the following business</i>	
Profit from the cloth business	35000
Loss from Sugar business	16000
Loss from silver business	22000
Loss from share speculation	15000
Profit from specified business	70000
Income from other sources	60000

Loss from the house property for the assessment year 2015-16 is brought forward Rs 7500.

Loss from specified business for the assessment year 2015-16 is brought forward Rs 100000.

Compute gross total income after setting off the losses. Is there any loss which can be carried forward?

(2 x 6 = 12 Weightage)

(4)

12. Mr. X, who is totally blind, submits the following information. Compute his Total Income:

	Rs
Salary received (Per month)	30000
Rent received (Per month)	4000
Dividend from Co-operative Society	2000
Interest from a firm(Gross)	8000
Interest on Government Securities	1000
Winning from Lotteries	115000
NSC VIII issue purchased during the year	10000
Deposit under Public Provident Fund	31000
Long-term Capital Gain (Building)	235000
Short-term Capital Loss	20000

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13. The following particulars are submitted by Dr. Abraham Moosa for the Assessment year 2017-18. You are required to compute his gross tax liability.

	Rs
Income from House Property (Computed)	78000
Agricultural Income	15000
Long-term Capital Gains	20000
Lottery winning from Tamil Nadu State	50000
Life Insurance Premium paid	5000
Casual income from T.V. Game show	14000
Business Income	600000

14. From the following information, find out the income from salary of Suresh:

	Rs
a. Profit from business	590000
b. Salary received by a member of HUF	10000
c. Director's fees received by Karta	8000
d. Rent from let out property	20000
e. Municipal taxes paid	1000
f. Annual municipal value of the joint family house	18000
g. Municipal taxes paid	1000
h. Interest on loan for construction of house	20000
i. Interest	5000
j. Long-term capital gains from transfer of buildings	10000
k. Profit from an AOP (1/4th share)	10000
l. Dividend from companies (Gross)	10000
m. Donation to N.D.F	5000
n. Medical Insurance Premium on the health of the members of the family paid by cheque	6000
o. Premium paid on LIC policies	19000
Donation to State Government for promoting Family Planning by cheque	40000

	Rs
a. Gross annual salary	300000
b. Medical expenditure directly paid by the employer to the private medical practitioner	25000
c. Medical expenditure directly paid by the employer to the approved hospital	50000
d. Reimbursement of medical expenses incurred by an employee in a hospital approved by the chief commissioner	20000
e. Expenditure on travelling abroad (including that of attendant) borne by the employer	150000
f. Expenditure on stay and treatment abroad borne by the employer	250000
g. Out of (f) amount permitted by the Reserve Bank of India	100000

(6 x 3 = 18 Weightage)

SECTION C

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

15. Explain the general powers of income tax authorities.