

18P357

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Name.....

Reg. No.....

**THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2019**

(Regular/Supplementary/Improvement)

(CUCSS - PG)

**CC15P MC3 C12 - INCOME TAX LAW AND PRACTICE**

(2015 Admission onwards)

Time: Three Hours

Maximum: 36 Weightage

**Part A**

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

1. What is Self-Assessment?
2. Who is a Coparcener?
3. What is a Limited Liability Partnership?
4. What is a Belated Return?
5. What is Advance payment of Tax?
6. Explain deduction u/s 80 GG

**(6 x 1 = 6 Weightage)**

**Part B**

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

7. What are the deductions u/s 80 P available for Co-operative Societies?
8. What is Best Judgement Assessment?
9. What are the powers of CBDT?
10. Compute the net tax payable by an Association of Person for the Assessment year 2019-20 if X, a member is liable to pay tax on his other income  
Long term capital gain (computed)                   ` 25000  
Lottery Winnings (gross)                               ` 50000  
Income from House property                           ` 30000
11. Mr. Sridhar is the Kartha of H.U.F.

Profit from family business ` 338000, Ravi, a member of the family received salary for his service in a college ` 120000, Salary to Raju another member of the family for his service in family business (Assessing officer considers Rs 80000 as reasonable) ` 82000, Directors fees received by Kartha ` 2500, Interest on Government securities ` 12000, Annual rent from house

property let out ` 30000, Municipal taxes paid on let out property ` 3000, Religious expenses ` 5000, Donation by cheque to an approved temple ` 40000.

Compute total income of HUF:

(1)

**Turn over**

12. Shri Jagadish Prasad's gross total income for the previous year ending on 31-3-2019 is ` 4015000.

He donated the following amount by cheque:

Prime Ministers National Relief Fund ` 100000

National Children's Fund ` 200000

` 200000 for repairs of a temple of public worship so notified

` 100000 to a local college for construction of classrooms

` 20000 given as aid to poor students

` 100000 to municipality

` 50000 to UP Govt for family planning

He deposited ` 15000 in Public Provident Fund. Determine his total income for Assessment year 2019-20?

13. Calculate the tax liability of an individual resident in India for Assessment year 2019-20.

- Total Income ` 1100000 Agricultural income ` 15000

- Total Income ` 760000 Agricultural Income ` 90000

14. The income of a co-operative society for the previous year ended 31-3-2019 is as under:

Income from House Property (computed) ` 4000, Income from fishing and allied activities

` 7000, Income from processing the agricultural produce of its members (without the aid of

power) ` 2000, Income from interest on Government securities ` 3000, Income from other

business ` 58000. The society has given a donation of ` 2000 by cheque to the state government

for family planning programme in the previous year. Compute total income and tax liability of the society?

**(6 x 3 = 18 Weightage)**

**Part C**

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

15. Mrs X, Finance manager in Delhi furnishes the following particulars of income for the previous year 2018-19:

Basic salary ` 16000 p.m, Dearness Allowance ` 2000 p.m, Bonus 3 months Basic Pay,

Commission ` 1000 p.m, Contribution of employer and employee to RPF ` 28000 each,

Entertainment allowance ` 12000 p.a, Allowance to meet cost of education and hostel

expenditure of 3 children @ Rs 5000 p.a each, Rent free unfurnished accommodation in Delhi

provided by the company for which company pays a rent of ` 2600 p.m, Housing loan of

` 500000 @ interest of 6% p.a was advanced on 1-10-2017 (No repayment made during the year).

Assume interest charged by SBI on such loan @ 10% p.a.

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A Titan watch costing ` 4800 was gifted by the company on the foundation day of the company. Her minor son earned an interest of ` 7000 on fixed deposits with Punjab National Bank, and the assessee earned dividends amounting to ` 10000 from Indian companies.

She made the following payments and investment during the previous year:

- Medical insurance premium paid by cheque for self ` 5000 and for spouse ` 7000

- L.I.C premium ` 11000

- Premium paid to insure the life of her major son ` 20000

- P.P.F deposit ` 41000

Determine the taxable income and tax liability of Mrs. X for the assessment year 2019-20.

16. The following is the Profit & Loss a/c of ABC (a professional firm which fulfils the conditions of sec 184) with two equal partners, A and B for the year ended 31-3-2019.

To salary	35000	By Gross profit	200000
To general charges	3000	By net loss	19000
To entertainment expenses	15000		
To rent & taxes	7000		
To electricity charges	3000		

To telephone expenses	8000		
To income tax penalty	1000		
To income tax	12000		
To interest on loan paid to the wife of a partner	4000		
To bad debts reserve	1000		
To depreciation on car @ 15%	20000		
To interest on capital (15%)			
A-12000			
B-12000	24000		
To salary & bonus			
A-46000			
B-40000	86000		
<b>Total</b>	<b>219000</b>	<b>Total</b>	<b>219000</b>

Additional information:

- B paid ` 2000 as interest on money borrowed for investment as capital in the firm
- Car was purchased on 6<sup>th</sup> October 2018.

Compute the total income and tax liability of the firm

17. Explain the various types of Assessment?

**(2 x 6 = 12 Weightage)**

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