

**B.Com. DEGREE EXAMINATION, NOVEMBER 2018**  
**III Year VI Semester**  
**Core Elective - Paper III**  
**INCOME TAX LAW AND PRACTICE - II**

**Time : 3 Hours**

**Max.marks :75**

**Section A** ( $10 \times 2 = 20$ ) Marks

Answer any **TEN** questions

1. Write the meaning of term capital gain.
2. Mention the rules for exemption under section 54EC.
3. What is the formula for grossing up?
4. Write the rule regarding family pension.
5. How is the income of a minor child clubbed?
6. What is inter-source set off?
7. What do you understand by the term gross total income?
8. Mention the purpose of deduction allowed under section 80E.
9. Give the tax slab rates for individual assessee below 60 years of age in the assessment year 2018-19.
10. How does a partnership be assessed?
11. How will you treat unabsorbed depreciation?
12. Mention the maximum amount of deduction u/s 80C.

**Section B** ( $5 \times 5 = 25$ ) Marks

Answer any **FIVE** questions

13. Explain the different types of capital gains.
14. Explain the provisions regarding benami transactions.
15. Mr. Kayal Vizhi purchased a house property during July 2010 for Rs. 4,00,000. The house was sold for Rs. 10,88,000 during January 2018. She bought a new residential house for Rs. 6,00,000 during April 2018. Compute the capital gains if CII for 2010-11 is 167 and 2017-18 is 272.
16. Compute the income from the following details given by Rajesh
  - a. Interest received from debentures of ABC Ltd Rs. 9,000
  - b. Income from sub letting Rs. 5,000
  - c. Dividend from foreign company Rs. 8,000
  - d. Ground rent Rs. 6,000
  - e. Family pension received Rs. 30,000

17. Mr. Guhan gives the following details of his income during the previous year 2017 -18
1. Income from house property
    - House property A (loss) Rs. 20,000
    - House property B (income) Rs. 33,000
  2. Income from business
    - Steel business (income) Rs. 67,000
    - Silver business (loss) Rs. 63,000
    - Speculation income Rs. 9,000
  3. Income from lottery tickets Rs. 7,000
18. Mr. Sulaiman's gross total income amounted to Rs. 10,50,000. He had paid Rs. 45,000 towards LIC premium on his own life policy amounting to Rs. 5,00,000. He donated Rs. 80,000 towards Swachh Bharath Kosh. He had spent Rs. 10,000 towards medical treatment of his handicapped sister. Calculate his taxable income.
19. Mr. Arunan an employee of Sunrise Ltd. had a gross total income of Rs. 4,50,000. He had paid an interest of Rs. 19,000 on the loan taken for his higher education. He donated Rs. 19,000 towards Prime Minister's National Relief Fund. Compute his tax liability for the assessment year 2018-19.

**Section C** ( $2 \times 15 = 30$ ) Marks

Answer any **TWO** questions

20. Explain the provisions relating to exemptions from capital gains under section 54.
21. Smt. Sheela Dixit submits the following details of her assets sold during the previous year 2017-18.
- a. Residential house sold for Rs. 35,00,000 which was purchased on 1st September 2011 for Rs. 5,48,000. The expenses on transfer of the house was Rs. 50,000.
  - b. Diamond necklace purchased in June 2003 for Rs. 60,000 was sold for Rs. 1,50,000.
  - c. She bought a new residential house for Rs. 12,00,000 and invested Rs. 9,50,000 in NHAI bonds during May 2017.

Compute the capital gains for the A.Y. 2018-19 if CII for 2003-04 is 109, 2011-12 is 184 and 2017-18 is 272.

22. Mr. Rahim gives the following particulars of his income.

- a. Family Pension Rs. 36,000
- b. Royalty received from writing books Rs. 1,80,000 and amount spent towards royalty income Rs. 25,000
- c. Winning from lottery (net) Rs. 70,000
- d. Honorarium received by writing in the newspapers Rs. 27,200
- e. Interest on 10% tax free bonds of Government of India Rs. 10,000
- f. Interest amount received from securities of Sun Mark pvt. Ltd. Rs. 6,300
- g. Ground Rent received Rs. 80,000
- h. Dividend from cooperative societies Rs. 12,000

Compute his income from other sources for the assessment year 2018-19.

23. Mr. Shahul Hameed (aged 85) had a gross total income of Rs. 11,25,000 and he claimed the following deductions

- a. Deposited into PPF Rs. 80,000 and purchased NSC VIII Issue Rs. 50,000
- b. Paid Rs. 30,000 towards mediclaim of his self
- c. Donated Rs. 90,000 to Prime Minister's Drought Relief Fund.
- d. Donated Rs. 9,000 to a political party.

Compute his tax liability for the assessment year 2018-19.