

**B.Com DEGREE EXAMINATION, APRIL 2019**  
**III Year VI Semester**  
**Income Tax Law and Practice - II**

**Time : 3 Hours**

**Max.marks :75**

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

Answer any **TEN** questions

1. What is a long term capital gain?
2. How do you calculate the indexed cost of acquisition?
3. List the types of securities.
4. Calculate the taxable income from the following

	Rs.
Family Pension	90,000
Income from sub-letting of house	64,000
Rent paid for sub-let portion	32,000

5. What is clubbing of income?
6. What are the losses that can be set off from the following?

	Rs.
Income from salary	1,00,000
Income from house property	
House A (Income)	72,000
House B (Loss)	.90,000
Loss from speculation loss	36,000

7. Calculate the gross total income from the following

	Rs.
Interest from Bank deposits	1,20,000
Long term capital gains	30,000
Business Income	45,000
Short term capital loss	12,000

8. Mention the amount of deduction allowed under section 80C.
9. Calculate the tax liability of Mr.Shahul Hameed whose taxable income Rs.10,00,000.
10. What is book profit?
11. What are the types of capital gains?
12. What is the amount of deduction for the donation to family planning programme Rs.10,000 when the total income amounted to Rs.4,20,000 after all deductions under section 80 C to 80 U?

**Section B** ( $5 \times 5 = 25$ ) MarksAnswer any **FIVE** questions

13. Explain the different cases of indexed cost of acquisition.
14. Explain the terms a. Unexplained cash credits b. Unexplained expenditure
15. Mr. Vikram Singh purchased a house property during the year 1996 for Rs.2,00,000. The house was sold for Rs.30,88,000 during March 2017. The expenses on sales amounted to Rs.50,000. The fair market value of the house as on 1st April 2001 was Rs.5,00,000. Compute the capital gains if CII for 2001-02 is 100 and for 2017-18 is 272.
16. Compute the income from the following details
- |    |   |        |
|----|---|--------|
| a. | Interest from Tax free Securities of ABC Ltd. | 90,000 |
| b. | Lottery winning (Net)                         | 70,000 |
| c. | Dividend from Indian company                  | 80,000 |
| d. | Ground rent                                   | 65,000 |
| e. | Family pension received                       | 90,000 |
17. Mrs. Rani gives the following details of his income
- |      |                             |                          |
|------|-----------------------------|--------------------------|
| 1.   | Income from salary          | Rs.80,000                |
| 2.   | Income from house property: |                          |
| i.   | House A (income)            | Rs.53,000                |
| ii.  | House B (loss)              | Rs.40,000                |
| 3.   | Income from business:       |                          |
| i.   | Cloth business (income)     | Rs.67,000                |
| ii.  | Textile business (loss)     | Rs.63,000 (discontinued) |
| iii. | Speculation income          | Rs. 5,000                |
| iv.  | Speculation (loss)          | Rs. 9,000                |
| 4.   | Income from lottery tickets | Rs. 7,000                |
- Compute the total income for the assessment year 2018-19.
18. Mrs. Susheela's gross total income amounted to Rs.5,49,800. She had paid Rs.12,000 towards LIC premium for policy on her own life amounting to Rs.1,00,000 and donated Rs.13,000 to National Defence Fund. Calculate her taxable income.
19. Arul Babu a manager in Axiom Ltd had a gross total income of Rs.6,50,000. He had paid Rs.125,000 towards the medical treatment of his father for a notified disease. He had paid Rs.19,000 towards PM National Relief Fund. Compute his tax liability for the assessment year 2018-19.

**Section C** ( $2 \times 15 = 30$ ) MarksAnswer any **TWO** questions

20. Explain the provisions to calculate the tax liability of a firm.
21. Sri Mohan Das submits the following details of his assets during the previous year 2017-18.
- a. Residential house sold on 31st January 2018 for Rs.32,00,000 which was purchased on 1st February 1998 for Rs.7,58,000
  - b. Silver plate purchased in June 2002 for Rs.16,000 was sold for Rs.1,50,000 as on 1st June 2017.
  - c. Land purchased in January 2010 for Rs.3,00,000 was sold on 15th April 2017 for Rs.8,50,000.
  - d. He invested the capital gains in the purchase of a new residential house for Rs.10,50,000 during May 2017.

Compute the capital gains for the assessment year 2018-19 if CII for 2001-02 is 100, for 2002-03 is 105, 2009-10 is 148 and for 2017-18 is 272.

22. Mrs. Rekha submits the following particulars compute her income from other sources for the year ended 31st March 2017.
- a. Dividend from cooperative society Rs.15,000
  - b. Family pension received Rs.30,000
  - c. Royalty received by writing books Rs.50,000. She spent Rs.5,000 towards the printing and other charges.
  - d. Winning from lottery (net) Rs.56,000
  - e. Interest on tax free debentures of Mysore Electric Company (listed) Rs.7,200
  - f. Interest on 10% tax free bonds of Govt. of India Rs.10,000
  - g. Ground rent received Rs.8,000.
  - h. Gifts received from relatives Rs.9,000
  - i. Interest from Post Savings Bank Account Rs.8,000.
  - j. Purchased a piece of art for Rs.90,000 whose market value is Rs.1,20,000.
  - k. Income from undisclosed sources Rs.7,000
23. Mr. Sugumar (80% disabled) had a business income of Rs.13,20,000 and he claims the following deductions
- i. Deposited into PPF Rs.80,000 and purchased NSC VIII issue Rs.40,000
  - ii. Spent Rs.80,000 towards medical treatment of disabled dependent sister
  - iii. Donated Rs.90,000 to Prime Minister's National Relief Fund

- iv. Donated to a notified temple Rs.30,000
- v. Donated Rs.9,000 to a political party.
- vi. He resides in a rented house at Chennai. The monthly rent was Rs. 16,500.

Compute his tax liability for the assessment year 2018-2019.