

B.Com. DEGREE EXAMINATION, APRIL 2020
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. State whether the following are capital or non-capital assets:
 - i. Furniture held for house hold purpose
 - ii. Diamonds held for personal purpose
2. Mention whether the following are short term or long term capital assets, if the assessee transfers them on 1-07-2018.
 - a. Listed bonus shares allotted on 1-10-2017
 - b. Government securities acquired on 1-9-2017.
3. Mrs. Paul receives pension of Rs. 2,000 p.m. from employer of her deceased husband. Find her total income for the assessment year 2019-20.
4. Akil has the following incomes in the year ended 31.3.19. Calculate her income from other sources.
 - a) Dividend from Indian companies Rs.7,800
 - b) Examinership remuneration Rs.2,000
5. Mr. Ram transferred a property worth Rs.2,00,000 to his son's wife on 10th June, 2015. The income accrued to her from the property was Rs.30,000 during the PY:2018-19. Who is liable to pay tax?
6. Mr. X gifted Rs.2,00,000 to his son 'Y' on his 16th Birthday on 2nd June 2018. The money was deposited in State Bank of India @12%pa. During the year ending on 31st March, 2019 'Y' received Rs.20,000 as interest income.
How the above incomes are treated under income-tax Act 1961?
7. What are deemed incomes? Give examples
8. Selvam, a resident individual, has paid Rs.5,000 for medical treatment of his dependent brother being a person with disability and also deposited with LIC for the maintenance of the dependent brother Rs.30,000.
Find out the amount of deduction allowable u/s 80DD.
9. Compute income under the head Salary:

Gross salary	Rs.1,70,000
Profession tax	Rs.1,200
10. What is an AOP?

11. Compute the tax liability of Mr. Ranjith for the assessment year 2019-2020. If his total income is Rs.1,64,371.
12. What is Health Education Cess rate ?

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

Answer any **FIVE** questions

13. Mr.Jeevan purchases diamonds on 1-4-2018 for Rs. 1,00,000. He incurred brokerage cost of Rs.5,000 on purchase. He sells diamonds for Rs.1,60,000 on August 10,2018. Compute the chargeable capital gain in the hands of Mr. Jeevan for the assessment year 2019-20.
14. From the following details find out income from other sources:

1) Directors fees	Rs.5,000
2) Dividend from Indian company	Rs.4,000
3) Income from Horse race	Rs.7,000
4) Royalty from books	Rs.9,000
5) Dividend from co-operative societies	Rs.3,000
15. What are the deemed incomes? Give examples.
16. Compute the taxable income and loss to be c/f.

Business profit for the previous year 2018-19	Rs. 20,000
B/f business loss of 2016-17	Rs. 10,000
Capital loss on shares	Rs.60,000
Loss from self occupied house u/s24	Rs.5,000
17. Explain any five deductions from Gross Total Income.
18. Calculate deduction u/s 80C from the following:

Contribution to RPF	Rs.15,000
Contribution towards NSC-VII issue	Rs.11,000
Insurance premium on own life	Rs.25,000
(sum assured Rs.1,50,000)	
Contribution towards the life of his wife	Rs.2,500
(sum assured Rs.45,000)	
19. Distinguish between AOP and Partnership firm.

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

Answer any **TWO** questions

20. Mr. Raja provides the following data regarding his transaction for the sale of his residential house for the Ay 2019-20. Compute the amount of capital gain to be included in the total income for AY 2019-20.

- | | |
|-------------------------------------------------------------|--------------|
| a) House purchased in 2003-04 | Rs.4,36,000 |
| b) Sold in Nov.2018 | Rs.95,00,000 |
| c) Purchased another house in December 2018 | Rs.3,00,000 |
| d) Deposited in the capital gain a/c scheme in January 2019 | Rs.4,00,000 |

The cost of inflation Index for 2003-04 and 2018-19 was 109 and 280 respectively.

21. Mr,X gives you the following particulars in respect of her income for the financial year 2018-2019 . Compute her income under the head income from other sources.

- | | |
|--------------------------------------------------|----------|
| a) Interim dividend | Rs.4,000 |
| b) Dividend from a company on equity shares | Rs.3,000 |
| c) Dividend on preference shares | Rs.4,000 |
| d) Directors fees | Rs.1,800 |
| e) Ground rent | Rs.3,000 |
| f) Income from sub-letting | Rs.6,000 |
| g) Dividend from foreign company (net) | Rs.5,000 |
| h) Interest on National defence Gold Bonds ,1980 | Rs.3,000 |

22. What is clubbing of income? What are the provisions regarding clubbing of income of spouse?

23. Mrs. Laxmi aged 50 years submits the following information:

- | | |
|-------------------------------|--------------|
| Taxable salary | Rs.12,40,000 |
| Interest on bank deposits | Rs.20,000 |
| Long term capital gain | Rs.40,800 |
| Taxable house property income | Rs.1,80,000 |
| Deposit in PPF | Rs.60,000 |
| LIC premium | Rs.1,20,000 |

Compute the tax liability of Mrs. Laxmi.