

**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. What is Cost of acquisition?
2. What is subletting?
3. Mr. X Purchased a house on 1/11/2000 for Rs. 2,00,000. Which was improved in 2005-06 at the cost of Rs. 1,00,000. What will be the indexed cost?  
[CII : 2001-02 - 100 ; 2005-06 - 117 ]
4. Mr. R is a film producer. During the year, he sold a film projector for Rs. 1,70,000 which had cost him Rs. 1,50,000 and in respect of which Rs. 40,000 had been already allowed as depreciation. Expenses on sale amounts to Rs. 5,000. Compute the capital gain.
5. Calculate gross interest if Rs. 2,00,000 is invested in 9% tax free securities (unlisted).
6. The following gifts were received by S  
Gift received from his father      Rs. 2,00,000.  
Gift received from his friend      Rs. 40,000.  
Compute the income from other sources.
7. Compute the taxable income of Mr. X.  
Income from card games              Rs. 50,000  
Loss from card games                Rs. 5,000  
Loss on maintenance of race horses      Rs. 10,000  
Profit on horse races                  Rs. 20,000.
8. Mr. S has 3 houses and income from house properties are  
First house                      Rs. 45,000  
Second house                    Rs. (12,000)  
Third house                      Rs. 11,500  
What is income from house property?
9. Mr. S has incurred following expenses:  
Mediclaim insurance premium paid for himself              Rs. 12,000.  
Mediclaim insurance premium paid for spouse              Rs. 11,000.  
Mediclaim insurance premium paid for mother(76 years)      Rs. 18,000.  
Compute the deductions available for Mr. S

10. Compute the total deductions available for Mr. X from the following details

Jawaharlal Nehru Memorial Fund	Rs. 5,000
Prime Minister's drought Relief Fund	Rs. 2,500
National Children's Fund	Rs. 3,000

11. What is meant by self-assessment?

12. What is meant by Best Judgement Assessment?

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

Answer any **FIVE** questions

13. Explain the procedure for computation of long-term capital gains.

14. Mr. X had bought a residential house on 1/3/2006 for Rs. 6,00,000. He spent Rs. 1,50,000 for improvement on 18/11/2009. He sold the residential property on 11/10/2018 for Rs. 30,00,000 for which he had paid a brokerage of Rs. 20,000. He purchased a new house property for Rs. 12,50,000. Compute capital gain. (CII : 2005-06 – 117 ; 2009-10 – 148 ; 2018-19 - 282).

15. From the following compute income from other sources for the assessment year.

Interest (gross) on investment with a company	Rs. 20,000
University remuneration for working as an examiner	Rs. 16,000
Royalty for writing books	Rs. 1,60,000
Expenses on writing these books	Rs. 40,000
Dividend received from a domestic company	Rs. 12,000
Interim dividend	Rs. 12,000
Family Pension	Rs. 48,000

16. Calculate "Income from other sources" from the following particulars:

- Rs. 25,000 interest from post office saving bank account
- Rs. 25,000 from 10% debentures of listed Tea Company
- Rs. 4,000 interest received from National development Funds.
- Rs. 2,500 received as interest from the debentures of a co-operative society.
- 10% tax free debentures of Chennai Municipal Corporation Rs. 25,000.

17. From the following particulars, calculate taxable income of Mr. S.

Business loss carried forward from previous year	Rs. 75,000.
Long term capital loss	Rs. 40,000.
Net profit from business	Rs. 1,50,000.

Loss from House property

- (i) Let out property - Rs. 8,000.
- (ii) Self occupied property - Rs. 16,000.

18. Calculate taxable income of Mr. Kamal from the following, if the gross total income is Rs. 2,50,000.

Life Insurance premium of Mr. Kamal paid	Rs. 900.
Contribution towards LIC pension fund	Rs. 1,000.
Medical Insurance	Rs. 10,000.
Expenditure on medical treatment for disabled relative	Rs. 14,500.
Donation to Indian Army	Rs. 5,000.
Donation to Government of India for family planning	Rs. 25,000.

19. Calculate the deduction allowable under section 80GG to an assessee having the following incomes for the assessment year

Business Income	Rs. 55,000
Income from Bank	Rs. 5,000
Total Income	Rs. 60,000.

Rent paid by him for a house occupied by him for the purpose of his residence is Rs. 1,250 per month.

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

Answer any **TWO** questions

20. Compute the income from other sources of Mrs. X from the following details:

Director's fee from a company	Rs. 10,000
Interest on bank deposits	Rs. 3,000
Income from undisclosed sources	Rs. 12,000
Winnings from lotteries (Net)	Rs. 24,500
Royalty on book written by her	Rs. 8,000
Remuneration for lecturers given	Rs. 5,000
Interest on loan given to a relative	Rs. 7,000
Interest on tax free debentures of a company listed in recognized stock exchange (Net)	Rs. 3,600
Interest on Government Securities	Rs. 2,200
Dividend on shares	Rs. 6,400
Interest on Post Office Savings Bank Account	Rs. 5,000

She paid Rs.100 for collection of dividend and Rs.1,000 for typing the manuscript of book written by him.

21. From the following particulars of Mr. J calculate the taxable income.

Income from salary                      Rs. 4,50,000

Income from House property:

House – 1	Rs. 1,42,000
House – 2	(Self – occupied)(Rs. 1,50,000)

## Profits and Gains of Business:

Business – X	Rs. 1,40,000
Business – Y	(Rs. 56,000)
Business – Z	(discontinued) and unabsorbed loss C/F from AY 2012 – 13 (Rs. 85,000)

## Capital Gains

Short – term capital gain	Rs. 90,000
Short – term capital loss	(Rs. 40,000)
Long – term capital gain	Rs. 87,000

## Other Sources

Winning from lotteries	Rs. 1,00,000
Interest Income	Rs. 35,000

22. Mr. K submits her gross total income for the previous year as Rs. 7,50,000. She has contributed for the following fund, Donations etc. Calculate her taxable income.

Payment towards Oriental Insurance Mediclaim	Rs. 5,000.
[Paid in cheque]	
Pension fund for LIC	Rs. 5,000
Rajiv Gandhi Foundation	Rs. 15,000
Gujarat Earthquake Relief Fund	Rs. 20,000
Prime Minister's Drought relief fund	Rs. 50,000
Jawaharlal Nehru Memorial Fund	Rs. 22,000
Towards repair work for temple	Rs. 45,000
Donation promoting minority community	Rs. 50,000
Her Gross Total Income includes an LTCG of	Rs. 2,00,000.

23. Explain the Computation procedures for Net taxable Income of Individual.