

**B.Com(CS) DEGREE EXAMINATION, APRIL 2020**  
**III Year VI Semester**  
**Income Tax Law and Practice - II**

**Time : 3 Hours**

**Max.marks :75**

**Section A** (10 × 2 = 20) Marks

Answer any **TEN** questions

1. What is meant by Capital Gain?
2. Find out inflated cost for the assessment year 2019-2020:  
 Cost of house purchased in 1999-2000 for Rs.90,000  
 Fair market value on 1.4.2001 being Rs.1,50,000
3. Compute capital gain arising from sale of a residential house for the AY 2019-2020:

	Rs.
Cost of acquisition (2004-05)	1,00,000
Sold on 31.12.2018	5,00,000
Cost of improvement (2011-12)	5,000

CII: 2004-05: 113, 2011-12: 184, 2018-19: 280

4. Mention any two incomes that are taxable under the head Income From other sources?
5. Akila has the following incomes in the previous year ending on 31.3.2019. Calculate her income from other sources.
 

a) Dividend from an Indian company	Rs.7,000
b) Examinership remuneration	Rs.2000.
6. From the following, compute the income from other sources for the Assessment year 2019-2020:
 

(a) Dividend	Rs.16,000
(b) Winning from horse races	Rs.40,000
(c) Winning from lottery tickets	Rs.1,00,000
7. Mr. X provides the following information. Compute his taxable income:
 

	Rs.
Long term capital loss	6,00,000
Short term capital gain	2,20,000
Loss from business	1,80,000

8. Mr. Basheer provides the following information. Compute his taxable income.

	Rs.
Long term capital loss	3,00,000
Short-term capital gain	1,10,000

9. Calculate deduction u/s 80C from the following:

Contribution to RPF	Rs.25,000
Contribution towards NSC VII issue	Rs.31,000
Insurance premium on own life (sum assured Rs.1,50,000)	Rs.35,000.

10. Mr. Nair's previous year's gross total income is Rs.5,00,000. He has made the following donations. Calculate his total income.

	Rs.
(a) National foundation for communal harmony	10,000
(b) National children's Fund	20,000
(c) National Defence Fund	25,000

11. What do you understand by tax relief u/s 89?

12. What do you understand by Association of Persons?

### Section B (5 × 5 = 25) Marks

Answer any **FIVE** questions

13. Mr. Sibi purchased a house on 1.11.2003 for Rs.2,00,000 which was improved in 2009-10 at the cost of Rs.1,00,000. What will be its indexed cost during 2018-19? (CII: 280)

14. Discuss the provisions relating to exempted capital gains.

15. From the following, compute the income from other sources for the Assessment year 2019-2020:

Dividend	Rs.16,000
Winning from horse races	Rs.40,000
Winning from lottery tickets	Rs.1,00,000

16. Compute income from other sources:

	Rs.
(a) Interest on deposit with a company	10,000
(b) Royalty for writing books	
(Expenditure on writing books is Rs.20,000)	80,000
(c) Interim dividend declared on 1.3.2019	6,000

17. From the following data provided by an individual, you are required to work out the total income Chargeable to tax for the AY 2019- 2020:

	Rs.
Business loss	50,00,000
Property income	45,00,000
Income from other sources	1,00,000
STCG	3,00,000
LTCG	11,00,000

18. Calculate deduction u/s 80C from the following:

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

19. Mr. Nereka's previous year's gross total income is Rs. 4,50,000. He has made the following donations. Calculate his net income.

	Rs.
(a) Jawaharlal Nehru Memorial Fund	12,000
(b) Rajiv Gandhi Foundation	8,000
(c) Africa Fund	15,000
(d) Indira Gandhi Memorial Fund	14,000

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

Answer any **TWO** questions

20. Mr. Bedi owns house at Mumbai and Bangalore. These houses run for races at the race course. During the AY 2019-2020, he submits the following information:

(a) Expenses on race horses at Mumbai	Rs.2,60,000
(b) Expenses on race horses at Bangalore	Rs.4,30,000
(c) Stake money earned by horses: at Mumbai Rs.1,20,000 at Bangalore	Rs.5,00,000
(d) Mr. Bedi received Rs.1, 03,650 on 1.7.2017 on betting during horse races at Mumbai.	

Compute his taxable income under other sources.

21. From the following information submitted to you, compute the total income of A for the assessment year 2019-2020 assuming he is not allowed any deduction under section 80C to 80U.

	Rs.
Income from salary	1,80,000
Income from house property	40,000
Business loss	(-)1,90,000
Loss from a specified business referred to in section 35AD	(-) 60,000
Short-term capital loss	(-) 60,000
Long-term capital gain	2,40,000

22. Mr.Paneerselvam owned two motor cars which were mainly used for business purposes. The written down value on April 1, 2018 these two cars, was sold in June 2018 for Rs. 1,50,000. In September 2018, he sold 1000 shares in X Ltd.,(unlisted) an Indian company, for Rs. 30,00,000. He had purchased the same during March, 2000 for Rs. 3,10,000. A house plot purchased in March, 1996 for Rs. 3,00,000 was sold by him for Rs. 9,35,000 on January 18,2019. (CII 99-200-259;1996-97-182;2018-19 = 14:939)
23. What deductions are allowed U/S 80CCC and 80CCD of the Income Tax Act 1961?