

**B.Com DEGREE EXAMINATION, EVEN SEMESTER 2021**  
**III Year VI Semester**  
**Income Tax Law and Practice - II**

**Max.marks :25**

Answer any **FIVE** questions ( $5 \times 5 = 25$ ) Marks

1. Define the term 'Transfer'. Describe transactions which are excluded from 'Transfer'.
2. Mr.Vibaen owned two motor cars which were mainly used for business purposes. The written down value on April 1, 2019 of these cars is Rs.1,81,000. The block of assets comprising of only these two cars, was sold in June 2019 for Rs. 1,50,000. In September 2019, he sold 1,000 shares in x Ltd.(unlisted) an Indian Company, for Rs.30,00,000. He had purchased the same during March,2005 for Rs.3,10,000. A house plot purchased in March, 2011 for Rs.3,00,000 was sold by him for Rs.9,35,000 on January 18, 2019.(CII 2010-11:167,2004-05:113, 2019-20:289).Compute the capital gains chargeable to tax in respect of the above transactions for the assessment year 2020-21.
3. State the various items of income chargeable under the head "Income from other sources".
4. Morpheus furnishes the following particulars of his income for the previous year 2019-20. Compute his Income from Other Sources for the assessment year 2020-21.
  - a) Dividend (Gross) from Sevi Ltd. Rs.25,000.
  - b) Dividend from a co-operative society Rs.5,000.
  - c) Interim dividend from Rane Ltd. Rs.6,000.
  - d) Dividend from a foreign company Rs.26,000.
  - e) Dividend from U.T.I Rs.3,000.
5. Master Arul (Age 16 years) received following incomes during 2019-20.
  - a) Interest on bank deposits Rs.75,000.
  - b) Interest on Govt. Securities Rs.80,000.
  - c) Interest on Debentures Rs.40,000.
  - d) Income by acting in a film Rs.1,00,000.
  - e) Income by singing concert held by him Rs.50,000.
  - f) His father's total income Rs.1,09,000.
  - g) His mother's total income Rs.1,09,100.Decide about the person in whose hands the above incomes shall be taxable and the amount of Income to be taxed.
6. Shri. Ravi is a Central Government employee in the ministry of Finance (date of joining, February 10, 2010). During the previous year 2019-20, his basic salary

is Rs.12,000 per month. Dearness allowance considered for service benefit is Rs.2,000 per month. He contributes 10 per cent of his salary towards notified pension scheme. A matching contribution is made by the Central Government. Compute the taxable income of Mr.Ravi. Ravi has also contributed another 60,000 towards notified pension scheme.

7. Total Income of Mr. Prawn a resident of India for the previous year 2019-20 is Rs.16,00,000. It includes Rs.20,000 on account of Income arising from securities which is taxable under the head profits and gains from business of profession. He has paid securities transaction tax of Rs.1,200. Compute the tax payable by Mr. Prawn for the previous year 2019-20. Mr. Prawn's Savings Investments are: Deposit in PPF Rs.85,000. Repayment of Loan for house acquired Rs.1,00,000. (Other than Interest) Compute Tax Liability if he is of 82 years of age.