

B.Com (CS) DEGREE EXAMINATION, EVEN SEMESTER 2021

III Year VI Semester

Income Tax Law and Practice - II

Max Marks: 25

Answer any **Five** questions (5 * 5 = 25) Marks

1. Mr Ram owns 2 acres of agricultural land in an urban area of Ludhiana which he sold on 30th November 2019 @ Rs.50 lacs per acre. Other particulars are:

- i) Cost of 2 acres of land purchased in 1997 Rs.6 lacs
- ii) F.M.V as on 01.04.2001 Rs.25.50 lacs
- iii) Selling expenses Rs.1 lac
- iv) He owns one residential house on 30.11.2019.
- v) Date of filing of return of income is 31st July 2020.
- vi) Mr X purchased 10 acres of agricultural land in a rural area for Rs.8 lacs on 10th June 2020.
- vii) Mr X purchased a piece of plot to construct a residential building for Rs.6 lacs at Ludhiana.
- viii) He deposits Rs.15 lacs in a schedule bank in a Capital Gain Deposit Account Scheme on 30th July 2020 to construct a residential house.
- ix) Amount invested in bonds of REC Rs.8 lacs on 31st March 2020.

Compute long term capital gain

2. Mr X furnishes the following particulars of his income for financial year 2019-20:

- i) Dividend received from UTI Rs.10,000
- ii) Net amount received as winning from horse race Rs.21,000
- iii) Winning from camel race (Net) Rs.15,000
- iv) Winning from lottery (Net) Rs.70,000. Cost of lottery ticket was Rs.500.
Commission paid to lottery seller Rs.1,000 out of prize money.
- v) Family Pension received 48,000
- vi) Income tax refund Rs.10,000 (related to past year)

Calculate Income under the head other sources for the assessment year 2020-21

3. From the following particulars of income of assesses X,Y and Z, how the capital losses shall be set-off and carried forward for the previous year ending on 31-03-2020?

(X)	(i) Business Income	Rs.15,000
	(ii) Short Term Capital Loss	Rs. 1,200
	(iii) Long Term Capital Gain (Plot)	Rs. 7,200
	(iv) Long Term Capital Gain on sale of jewellery	Rs.20,000
(Y)	(i) Business Income	Rs.30,000
	(ii) Short Term Capital Loss	Rs.40,000
(Z)	(i) Business Income	Rs.60,000
	(ii) Short Term Capital Gain	Rs.20,000
	(iii) Long Term Capital Gain (Land)	Rs.17,000
	(iv) Carry forward loss (Short- term capital assets)	Rs.50,000

4. From the particulars given below compute the total income of Mr X for the assessment year 2020-21 explaining each point clearly:

1	Income from profession	86,500
2	Income of minor son (singing in his profession)	12,000
3	Winning from lottery: ticket purchased on the name of the Mr X's minor daughter	6,800
4	Mr X's father gifted debentures in an Indian Company to Mr X's minor son and company paid gross interest	6650
5	Mr X's wife is a government servant and her income computed under the head salaries	56,000
6	Interest on debentures purchased by Mr X but gifted to Mrs X	18,000

5. Explain the conditions which are to be satisfied for assessment of income as partnership form.

6. The following are particulars of income of Mr X for the assessment year 2020-21

1	Income from House Property (computed)	61,200
2	Business Income	1,80,000
3	Dividend (Gross) from a Co-op Society	15,500
4	Long Term Capital Gain: Long Term (a) From Land (b) From Jewellery	60,000 35,000
5	He paid Rs.28,000 as Life Insurance Premium on his own life on a policy of Rs.2,00,000. (Policy issued on May 1, 2013). He also paid Rs.6,000 on a life policy of Rs.50,000 which he acquired in 2010.	
6	He gave Rs.30,000 as donation to a charitable institution approved under section 80G	
7	During the year he deposited Rs.18,000 in an equity linked saving scheme (Dhan 80) notified under Section 80C	
8	He deposited Rs.12,500 in National Saving Scheme 1992	
9	Interest accrued on N.S.C VIII issue purchased in November 2018 for Rs.30,000 is Rs.2,260.	
10	He borrowed Rs.60,000 and contributed towards pension plan of LIC	
11	Interest accrued on a fixed deposit in a bank Rs.6,000	

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Compute his Total Income assuming that he is a senior citizen.

7. "Tax Management is essential, tax planning is desirable and tax evasion is objectionable" –
Elaborate the statement